

Monitoring result for Handz Clothing BD Ltd. on site Site 1

Monitoring

Monitored Party	: Handz Clothing BD Ltd.
amfori ID	: 050-001798-000
Site	: Site 1
Site amfori ID	: 050-001798-001
Address	: 433/1, Nanduain, Masterbari, Gazipur Sadar : 1700, Gazipur : Dhaka : Bangladesh
Monitoring Activity	: amfori Social Audit - Manufacturing
Monitoring Type	: Follow-up Monitoring
Submission Date	: 28/06/2022
Expiration Date	: 26/01/2024

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Overall rating



Section rating

PA1: Social Management System	C
PA 2: Workers Involvement and Protection	C
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	B
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	D
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	A
PA 13: Ethical Business Behaviour	A

General description

This was the un-announced amfori BSCI Follow up audit at Handz Clothing Bd Ltd. The factory incorporated in 2013 and started its operation at 2017 at 433/1 Nanduin, Masterbari, Gazipur Sadar, Gazipur, Bangladesh. The factory specializes in the manufacture of all types of knit items. The main production process is Knitting, Cutting, Sewing, Finishing and Packing. The factory had no peak season for its production. The production capacity of the facility is 39,000 pieces per month. Total area is about 45,800 square feet and production area is about 30,000 square feet.

In view of facilities, Floor wise site description is as below-

Old Premises:

Shed#1 (Single storied with a mezzanine floor):

Ground floor: Cutting section, yarn store

Mezzanine floor: Office

Shed-2 (single storied):

Ground floor: Knitting Section.

Shed-3 (single storied):

Ground floor: Fabric store, compressor and Boiler (non-functional) room

Shed-4 (single storied):

Ground floor: Waste store

New Premises:

Building-1(Single storied):

Ground floor: Compressor and boiler room (boiler was yet to operational).

Building-2 (2 storied):

Ground floor: Generator room, substation room and RMS room (proposed).

1st floor: Office

Building-3: (Single Storied)

Ground floor: Security room.

Shed#1 (Single storied with a mezzanine floor):

Ground floor: Cutting section (proposed), sewing section, finishing section, spot removing room, finished goods storage area and accessories store.

Mezzanine floor: Finished goods store, sample room and office area.

Shed#2:

Ground floor: Workers dining room, canteen, medical room and childcare room.

Factory did not provide dormitory facility to their workers.

Factory is maintaining automated time keeping system for all workers. The weekend of the factory is Friday. There were total 450 employees (180 males and 270 females) working in the factory and the youngest worker was above 19 years in the factory, which was complying with the local law. Neither migrant workers nor agency workers found in the facility.

Per payroll review and interviews with management and employees, all the workers were paid by monthly wage system. Wages were paid and issued usually within 7 working days. Last payment date was on 10th June 2022 for the month of May 2022. Employee's wages paid in Cash. Factory had provided lowest minimum wage as BD. Tk-8000/- to the workers that met the local law. This factory does orders for the buyers of Europe -85%, USA 15%. And main customers are SPORTS WEAR, BE NATION, LE COOPER. Facility conducted fire drill in every six months and last date of fire drill was 5th March, 2022.

The facility has a general work shift from 8:00 am to 5:00 pm , only knitting section starts from 8:00am to 5:00pm and from 8:00pm to 5:00am with 60 minutes' lunch break in 01 shift (01:00 pm to 02:00 pm). and 03 shifts (Shift-A 6:00 am to 2:00 pm, Shift-B 2:00 pm to 10:00 pm and Shift-C 10:00 pm to 6:00 am) in security section with one-hour break time in each shift. The weekend of the factory was Friday.

Per payroll and time records review, auditors reviewed sample records of 20 employees from May 2022 (attendance & Payroll) as current month, 20 employees from March 2022 (attendance & Payroll) as random month & 20 employees from February 2022 (attendance & Payroll) as random month (attendance & Payroll). All were permanent workers in the factory. Workers did not perform excess work and maximum working hour found (daily 8 hours' general working hour + 2 hours' overtime).

20 selected employees (9 males and 11 females) from different sections were conducted individually and group interviews. According to the interviews, employees were satisfied with the working conditions in positive way toward regarding the timely payment, non-discrimination, and non-forced labor in the factory.

Facility has started calculate living wage of this facility yet. Thus the gap between workers minimum wage and living wage was not identified.

At the end of the audit, a closing meeting held with factory representative; all of the current findings along with corresponding corrective action plans disclosed and communicated to facility management and Mr. Yeasin Islam Mondal – Assistant Manager- Human Resource and Compliance signed the onsite CAP and agreed to take corrective actions.

Audit Company: Bureau Veritas Consumer Products Service

Audit Company APSCA Number: 11600002

Lead Auditor Name: Md. Rafiqul Islam

APSCA Auditor Registered Number: Md. Rafiqul Islam – RA 21701271, Ruhi Tamanna - ASCA 21700681

Note: Facility did not use contractor for so, no license or permit is required. No agency labor contractor used by the factory. Factory recruited all workers directly. No Collective bargaining agent in the facility.

Remarks:

1. The factory management was convenient in English. So they requested to the auditors to provide the Corrective Action Plan in English.

In this follow up audit all corrected issues are mentioned in PA with details only one corrected issue for PA 1.4 details is given here as 1.4

Corrective action taken: During this follow up audit it was noted that the facility management has done workforce capacity as per amfori BSCI requirement. They are considering 8 hours on regular basis during planning. Besides, no procedure was found which describes that how overtime premium would be added to cost, in case it is needed, to match a delivery order. And they involved workers representatives during the capacity planning.

Site Details

Site : Site 1
Site amfori ID : 050-001798-001

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

N.A.

Metrics

Key Metrics

Total workforce	450 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	13630 Monthly
Total sample	20 Workers

Other Metrics

Male workers	180 Workers
Female workers	270 Workers
Permanent workers - Male	180 Workers
Permanent workers - Female	270 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	5 Workers
Management - Female	2 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	7 Workers
Workers on probation - Female	28 Workers
Workers with night shift - Male	60 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	180 Workers
Workers hired directly - Female	270 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	2 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	9 Workers
Sample - Female	11 Workers

Findings

PA1: Social Management System

1.1 Previous findings: It was noted that facility management has developed many 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. Corrective action not taken During this follow up audit, it was noted that the factory is trying to adopt requirement of amfori BSCI COC, however, still they have lacking in commitment towards integrating the BSCI Code into their business culture, understand the content of the BSCI Code and Terms of Implementation for business partners to be involved in the BSCI monitoring process, understand the need to develop the internal procedures to integrate the BSCI Code into day-to-day business practices. This violates amfori BSCI Performance Area 1.1

Management understand English and they were comfortable in English.

1.3 New finding: During this follow-up audit, it was noted that facility management did not communicate the correct amfori BSCI TOI their supplier in the supply chain mapping and didn't communicated their anti-corruption and bribery polity to their supplier and stake holder. This violates amfori BSCI Performance Area 1.3;

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PA 2: Workers Involvement and Protection

2.2 Previous findings: It was noted that there is long -term goal of the facility by which it will reflect a step-by-step approach toward sustainable improvement, but workers representatives were not involved in defining those goals. Corrective Action Not Taken: During this follow-up audit, it was noted that still a) there is a mission, vision and goal of the factory, but they did not set the step by step approach toward sustainable improvement. b) workers representatives were not involved during defining the mission, vision and goals. This violates amfori BSCI Performance Area 2.2;

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2.4 Previous findings: It was noted through interview that 10 out of 21 sampled workers of the facility were found less well aware about the requirements of amfori BSCI Code of Conduct. Corrective Action Not Taken: During this follow-up audit, it was noted Still 15 out of 20 sampled workers were not aware about the requirements of amfori BSCI Code of Conduct. This violates amfori BSCI Performance Area 2.4;

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2.5 Previous findings: 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". Corrective action not taken During this follow up audit it was noted that still 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". This violates amfori BSCI Performance Area 2.5;

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PA 5: Fair Remuneration

5.2 Previous findings: It was noted that delay wage payment was noted in the facility. Facility provides worker's wages 10th of the following month instead of before the expiry of the seventh working day of following month. [Ref: Bangladesh Labor Act 2006, Section 123(1)] Corrective action not taken During this follow up audit It was noted that the wage payment for the month of May 2022 was done on the 09th working days (10th June 2022) instead of 07 working days. This violates BSCI Performance Area 5.2; This violates Labor Law -2006, Section-123;

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5.4 Previous findings: 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. Corrective action not taken: During this follow up audit still facility management 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. This violates with amfori BSCI Performance Area 5.4

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PA 7: Occupational Health and Safety

7.1 Previous finding: a) It was noted that some 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. This violates amfori BSCI Performance Area 7.1; Corrective action not taken: During this follow up audit, it was noted that some 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) Medical room and childcare were found beside each another and there was a common door for both. Thus, transmittable diseases could easily transfer to the childcare room from the medical room and the

PA 7: Occupational Health and Safety

child could be infected easily. However, no child was found in the childcare room. This violates amfori BSCI Performance Area 7.1; Corrective action not taken: During this follow up audit, it was noted that still the issue remain same as medical room and childcare were found beside each another and there was a common door for both. Thus, transmittable diseases could easily transfer to the childcare room from the medical room and the child could be infected easily. However, no child was found in the childcare room.

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7.3 Previous finding: It was noted that facility did not carry out the risk assessment of worker's toilet, drinking water point, Power Distribution Board, Compressor, electric transformer, and staircases for ensuring safe, healthy and hygienic working conditions about the workplace issues. This violates amfori BSCI Performance Area 7.3 Corrective action not taken: During this follow up audit, it was noted that the facility yet not carry out the risk assessment of worker's toilet, drinking water point, Power Distribution Board, Compressor, electric transformer, and staircases for ensuring safe, healthy and hygienic working conditions about the workplace issues.

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7.7 New finding: 1. It was noted that the facility did not post material safety data sheet (MSDS) for the chemical (Diesel, mobil & machine oil). This violates amfori BSCI Performance Area 7.7; This violates with The Labour Rules, 2015, Chapter-7, Section-68 (10), 2. It was noted that secondary containment not provided for chemical drums (1 of 1 drum of Diesel, capacity approx. 200 liter per drum; 1 of 1 drum of Mobil oil, capacity approx. 200 liter / drum and 3 of 3 drums machine oil, capacity approx. 30 liter / drum) kept at shed#2 of old premises. This violates with BSCI Performance Area 7.7;

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7.10 Previous finding: It was noted that, facility management keeping records of occupational injuries occurred in facility, and root cause analysis has been carried out to define the corrective action and preventive action. However, no information was available how long employees were incapacitated as well as monetary value of the lost time. In addition, no system found at the facility to report the near miss injuries that enable the workers to report immediately to their superior. This violates amfori BSCI Performance Area 7.10; Corrective action not taken: During this follow up audit, it was noted that facility management keeping records of occupational injuries occurred in facility, and root cause analysis has been carried out to define the corrective action and preventive action. However, no information was available how long employees were incapacitated as well as monetary value of the lost time. However, the factory had formulated a policy & procedure to report the near miss injuries to their superior.

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7.11 Previous finding: b) Facility did not have generator waiver certificate for 01 generator in the old premises. This violates with BSCI Performance Area 7.11; This violates with Bangladesh Energy Regulatory Commission Act 2003, Section 27(1)] Corrective action not taken: During this follow up audit, it was noted that no waiver certificate found for 2 of 2 diesel generators [250 KW & 120 KW]. Previous finding: c) Fire license coverage was not found fully for the old premises. Currently there was 6,480 square feet fire license coverage but actually the premises was found around 22,000 square feet. This violates with BSCI Performance Area 7.11; This violates with Fire Prevention and Extinction Act 2003, section 4(1) Corrective action not taken: During this follow up audit, it was noted that the factory did not include shed-2 & shed-3 of old premises and building-1, building-2, building-3 & shed#2 of new premises in the fire license. However, the factory had applied to the concern authority on February 22, 2022.

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7.14 Previous finding: It was noted that insufficient number of firefighting equipment (hose reel, smoke detector, lock cutter, fire extinguisher, stretcher, gas mask, helmet, etc.) were noted in the old premises though knitting, cutting, yarn and fabric storage were found over there. However, adequate firefighting equipment was found in the new premises. This violates with BSCI Performance Area 7.14; This violates with Fire Prevention and Extinction Act 2003 This violates with In accordance with Fire Service Rules, 1961 Corrective action not taken: During this follow up audit, it was noted that the factory had installed firefighting equipment in all areas of factory premises but 3 of 3 checked fire hose pipe was non-functional due to low water pressure in the factory. Moreover, smoke detector was non-functional in the yarn store on the ground floor of shed#1.

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7.17 Previous finding: It was noted that eye safety guard was found missing in 3 out of randomly checked 15 overlook and flat lock machines in the sewing section. This violates amfori BSCI Performance Area 7.17; This violates Bangladesh Labor Act 2006, Section 63(1d-iii) Corrective action not taken: During this follow up audit, it was noted that 2 of 2 piping machines (roller cutting machine) in the sewing section did not have cutter guards, lower & upper pulley cover. However, the factory had installed safety device in all required machines.

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7.19 Previous finding: It was noted that facility management has introduced a procedure in writing to deal with trauma and serious illness. Furthermore, randomly interviewed 02 out 03 first aiders had inadequate knowledge about that. This violates amfori BSCI Performance Area 7.19; Corrective action not taken: During this follow up audit, it was noted that facility management has a procedure in writing to deal with trauma and serious illness but randomly interviewed 03 out 03 first aiders not aware about trauma and serious illness.

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7.21 Previous finding: It was noted that facility did not have any canteen facility for the employees from where they can purchase light food or snacks during their work period. This violates BSCI Performance Area 7.21; This violates with Bangladesh Labor Rules 2015, Rule 87(1)] Corrective action not taken: During this follow up audit, it was noted that the factory did not provide a canteen for the workers.

PA 7: Occupational Health and Safety

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PA 11: No Bonded Labour

11.4 Previous finding: It was noted that 9 out of 21 sampled workers of the facility was found less aware about the disciplinary procedures of the facility. This violates amfori BSCI Performance Area 11.4; Corrective action not taken: During this follow up audit, it was noted that 7 of 20 sample workers were not aware about the disciplinary procedures of the facility.

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PA 12: Protection of the Environment

12.5 Previous finding: a) It was noted that facility did not obtain permission from the respective authority for extracting the ground water to use in the premises. This violates amfori BSCI Performance Area 12.5; This violates with Bangladesh Water Act 2013, section- 24 (1) Corrective action not taken: During this follow up audit, it was noted that the factory yet not obtained permission from the respective authority for extracting the ground water to use in the premises. Previous finding: b) Facility management has not conducted any risk assessment on water waste reduction. This violates amfori BSCI Performance Area 12.5 Corrective action not taken: During this follow up audit, it was noted that the factory yet not conducted any risk assessment on water waste reduction. Previous finding: c) No awareness training has been provided yet to employees. This violates amfori BSCI Performance Area 12.5 Corrective action not taken: During this follow up audit, it was noted that the factory yet not provided awareness training to employees on the use of water. Previous finding: d) 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. This violates amfori BSCI Performance Area 12.5 Corrective action not taken: During this follow up audit, it was noted that the factory yet not formulated a procedure to preserve natural water resource (recycling practices, preserve rainwater, etc.) to ensure better environment in the premises.

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