

Monitoring result for Buildex Knit Composite Ltd. on site Buildex Knit Composite Ltd.

Monitoring

Monitored Party : **Buildex Knit Composite Ltd.**
amfori ID : **050-000978-000**
Site : **Buildex Knit Composite Ltd.**
Site amfori ID : **050-000978-001**
Address : **Baipail, Shimultola, Uttar Gajirchat, Ashulia, Savar,**
: **1349, Dhaka**
: **Dhaka**
: **Bangladesh**
Monitoring Activity : **amfori Social Audit - Manufacturing**
Monitoring Type : **Full Monitoring**
Monitoring Partner : **TÜV NORD CERT GmbH**
Monitoring Start Date : **19/03/2023**
Closing Meeting : **02/04/2023**
Finished Date :
Submission Date : **02/04/2023**
Expiration Date : **02/04/2024**

This is an extract of the online monitoring result, generated on 09/05/2023, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available [here](#) - The English version is the legally binding one.



amfori does not assume any liability with regard to the compliance of this extract, or any versions of this extract, with the Regulation (EU) 2016/679 (General Data Protection Regulation).

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. © amfori, 2021

Overall rating



Section rating

PA1: Social Management System	D
PA 2: Workers Involvement and Protection	D
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	D
PA 7: Occupational Health and Safety	E

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	C
PA 13: Ethical Business Behaviour	A

General description

Buildex Knit Composite Ltd. (Site amfori ID: 050-000978-001)

This "Full Monitoring" was conducted by a team of three auditors [Sohalur Rahman Mazumder (RA21700864), Md. Muftadeul Islam (RA21704231) and Bodrudduja Chowdhury (ASCA21704455)] of TÜV Nord CERT GmbH on 19th February, 2023.

This was a "Fully Announced" audit as scheduled by the RSP Holder. The auditors verified the factory's operations against the amfori BSCI Code of Conduct and local legislative requirements.

Location: Baipail, Shimultola, Uttar Gajirchat, Ashulia, Savar, Dhaka- 1349, Bangladesh.

Manpower: There are total 361 employees working in the facility amongst them 108 are male and 253 are female employee. Amongst this total number 323 are the employees who are directly engaged with direct production. Factory has 38 non-production employees.

Product and capacity: The factory is manufacturing sweater and production capacity is 2,50,000 pieces per month.

Production process: Raw materials > knitting > cutting > sewing > printing > finishing.

Floor details: The factory consists of 2 buildings which description is as follows:

Building No# 01:

Ground floor: Knitting section (currently not in operation), yarn store, ware house, security room, generator room and sub-station.

1st floor: Finishing section, boiler room, packing section, office area, medical room and inspection room.

2nd floor: Sewing section and mechanic room.

3rd floor: Finishing section, packing section, boiler room and office area.

4th floor: Sewing section, accessories room and office area.

5th floor: Cutting section and fabric store area.

Roof top: Workers dining area and wastage room (on tin shed) and around 80% area is vacant.

Building No# 02:

Ground floor to 4th floor: FB Excellence Fashion Co. Ltd. (separate factory under separate management)

5th floor: printing section.

Roof top: vacant.

Factory's normal working hour start from 08:00 am to 05:00 pm. Employees are allowed for one-hour meal break in one shift (01:00 pm to 02:00 pm). Security section runs in two shift (0800 am to 05:00 pm and 08:00 pm to 05:00 am). Employees work regularly 48 hours/week. Friday is their weekly holiday.

Opening meeting: 19th March, 2023

Auditors:

Mr. Sohalur Rahman Mazumder- Lead Auditor

Mr. Md. Muftadeul Islam- Auditor

Mr. Bodrudduja Chowdhury- Auditor

Factory Representatives:

Mr. Kabiruzzaman Liton- Manager (HR and Compliance)

Ms. Laboni Akter- Welfare Officer

Mr. Mizanur Rahman- HR and Admin Officer

Ms. Sopna- Vice President of Workers' Participation Committee

During opening meeting on 19th March 2023, the Lead Auditor explained the audit purpose and scope to the management team. It was also communicated that workers will be interviewed in private, detailed document checking and a payroll record review shall be carried out. A visit of the plant, with permission for photography was requested. Confidentiality of all information was guaranteed by the auditor. The management team permitted to carry out the whole process as per the client's requirement. After the completion of the opening meeting, auditors were divided into teams for plant tour and document review. All management staff remained with the assessment team throughout the assessment process and was very cooperative throughout the assessment process.

Documentation:

- Certificate of incorporation: C- 130525/2016 and issued on 26th April, 2016.
- Factory License no.: 19177/Dhaka (category "E") and found valid till 30th June, 2023.
- Fire License no.: DD/Dhaka/28290/2018 (covering 38,600 square feet) and found valid till 30th June, 2023.
- Trade License no.: Issued by Sanirvar Dhamsona Union Parishad (license number is 001824) and found valid till 30th June, 2023.

Mr. Kabiruzzaman Liton- Manager (HR and Compliance) is responsible for compliance with the code. Factory has translated amfori BSCI Code in local language and posted them at prominent locations.

25 permanent employees were randomly selected from different production section for interview. Factory management has provided payroll records and time record for auditor's review from the starting month of the factory. On sample basis payroll records and time cards of the month of February 2023 (most recent paid month), September 2022 (random month) and April 2022 (random month) were reviewed. Moreover, attendance record, daily hourly & monthly production records, garments inspection report and accessories receiving and distribution records were reviewed by the auditors.

Closing Meeting: At the end of the audit process, on 19th March, 2023; a closing meeting was held to discuss various issues observed during the audit.

Auditors:

Mr. Sohalur Rahman Mazumder- Lead Auditor

Mr. Md. Muftadeul Islam- Auditor

Mr. Bodrudduja Chowdhury- Auditor

Factory Representatives:

Mr. Kabiruzzaman Liton- Manager (HR and Compliance)

Ms. Laboni Akter- Welfare Officer

Mr. Mizanur Rahman- HR and Admin Officer

Ms. Sopna- Vice President of Workers' Participation Committee

During this audit observation were raised on PA 1, PA 2, PA 3, PA 4, PA 5, PA 6, PA 7, PA 10, PA 12 and PA 13.

Special Notes:

As per legal document (Value Added Tax Registration Certificate) factory name is "Buildex Knit Composite Ltd." and under type it is mentioned as "Private Limited Company".

There are no contractor and agencies used by the auditee, which makes the agency labor contract not applicable.

No Govt. waiver is available.

The factory has no trade Union and no collective bargaining agreements as it is not mandatory.

The factory does not have any "Dormitories"; hence uploading pictures related to dormitory is not applicable.

The client mentioned number of employees as 450 in the initial questionnaire and during audit it was found as 361. It does not change the audit man-days.

Site Details

Site : Buildex Knit Composite Ltd.

Site amfori ID : 050-000978-001

GICS Classification

Sector : Industrials

Industry : Industrial Conglomerates

Industry Group : Capital Goods

Sub Industry : Industrial Conglomerates

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	358 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	19255 Monthly
Total sample	25 Workers

Other Metrics

Male workers	107 Workers
Female workers	251 Workers
Permanent workers - Male	88 Workers
Permanent workers - Female	250 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	20 Workers
Management - Female	3 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	0 Workers
Workers on probation - Female	0 Workers
Workers with night shift - Male	5 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	108 Workers
Workers hired directly - Female	253 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	0 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	7 Workers
Sample - Female	18 Workers

Findings

PA1: Social Management System

Through current assessment, it was noted that though the factory has developed a social management system (a team, organogram, internal monitoring) to integrate the amfori BSCI code of conduct into day-to-day business practice and to contribute customers and stakeholders in possible continuous improvement of the facility but some gap was identified in other Performance Area.

Through documents review as well as interview, it was noted that factory has made supplier mapping and identified total 6 suppliers. But the amfori BSCI code of conduct & terms of implementation was not shared with all of the suppliers and proper monitoring was not ensured yet for all of the suppliers.

Following gaps were identified in production capacity planning: (1) Production planning is done considering sometimes 10 hours working day (08 hours regular + 02 hours overtime) but they did not consider injury time, break time, etc in the planning. (2) Facility does not have documented assessment of how much more “overtime” premium would be added to cost, in case it is needed to match a delivery order. (3) Head of HR and workers representatives were not involved during production capacity planning. (4) Besides the facility management has not done long term and short term “contingency plan” (in case something slows down or interrupts production).

PA 2: Workers Involvement and Protection

In accordance with Bangladesh Labour (Amendment) Law 2013, Section-205(6) New workers and old workers (15 out of 25) are not well aware about the activities of PC (Participation Committee).

It was noted that there is a long- term mission, vision and goal but in long -term goal there is no reflection a step-by-step approach toward sustainable improvement in defined time scale. Further no involvement of workers representative observed while defining the goals.

It was noted through sampled workers interview that, 15 out of 25 workers found not well aware about their legal rights and responsibilities, their entitlement of leave in a year, benefit for long term service, annual leave settlement, maternity benefit etc.

It was noted that 18 out of 25 workers sampled workers and midlevel management of the factory 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” and “Appeal process in the case of dissatisfaction”. Besides, 13 out of 25 workers were found less aware about grievance procedures.

PA 3: The Rights of Freedom of Association and Collective Bargaining

Through management and employee interview it was found that the members of the participation committee were not elected among the workers as per law. The committee has formed through selection process. [Bangladesh Labour (Amendment) Act 2013, Section 205 (6)]

PA 4: No Discrimination

It was noted through workers and management interview that the factory management has conducted satisfaction survey on the grievance mechanism. But gaps were identified in conducting periodic satisfaction surveys on harassment and discrimination to their workers yet.

It was noted through workers and management interview that the factory management has conducted satisfaction survey on the grievance mechanism. But facility did not conduct periodic satisfaction surveys on harassment and discrimination to their workers yet.

PA 5: Fair Remuneration

Through management and employee interview it was noted that, the factory does not develop a system to provide pay slip to the employees. [Bangladesh Labour Rules 2015, Rules 111 (3)]

It was noted through management interview that the factory management did not take initiative to provide living wages to the employees; although they are ensuring minimum wage as per law. Noted that living wages of the region is BDT 19,255 (as per Global Living Wage Coalition) and minimum wages is BDT 8,000 for Grade-7 workers. In other grades, the minimum salary is higher than of this factory.

It was note that, (a) Unpaid annual leave amount not paid or added resigned workers who have not enjoy annual leave. Furthermore, facility management does not have any policy, or they did not share it with worker. (b) The facility didn't have a

PA 5: Fair Remuneration

system to provide group insurance facility to the permanent workers yet. Furthermore, the facility didn't include workers in the insurance facility. [Reference: Bangladesh Labor Law 2006, Section 99]

PA 6: Decent Working Hours

Through working hour record review and employee interview it was noted that facility management did not calculate the overtime for the workers properly as per following: security section of the factory is maintained by 2 shifts. As a result, security section is doing 11 hours roster as regular working hour instead of 8 hours daily.

Through documents review as well as interview, it was noted that the factory did not take necessary steps to reduce the excessive working hours; in production plan, the factory considers 10 hours instead of 8 hours (regular working hour). Although the overtime found totally voluntary in the factory but they did not identify the proper health risk regarding long-term overtime. Continuous and prolonged overtime may increase health risk of the employees. Beside the people in charge of occupational health and safety risk assessments were not consulted regarding the continuous overtime hour.

PA 7: Occupational Health and Safety

Through plant tour, documents review as well as interview with the workers and management, it was noted that a) though 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 and b) though the factory did not provide childcare room in the factory premises.

The facility didn't have a system to provide group insurance facility to the permanent workers yet. Furthermore, the facility didn't include workers in the insurance facility. [Reference: Bangladesh Labor Law 2006, Section 99]

The auditee did not identify proper risk of accessories store, boiler, compressor, spot removing room, cutting section, fabrics and finished goods area. [As per Bangladesh Labor Rules, 2015, Schedule-4, Matters relating to safety committee (1) and amfori BSCI COC]

Through documents review as well as interview, it was noted that a) the factory formed a safety committee, but committee member selection process did not comply with the local requirement of Bangladesh as the formation process of workers' participation committee was not proper [Bangladesh Labour Rules 2015; Rule (81) Formation of Safety Committee and other issues] and b) the factory did not involve workers' representatives properly in the risk assessment program.

It was noted that a) insufficient fire fighter found in the facility as per law. Note that facility had 06 firefighters instead of 65. [Bangladesh Labour Rules 2015, Rule 55(10 & 14)] b) It was noted from plan tour that, 04 out of 05 fire fighters are not aware about fire equipment's. c) As per Bangladesh Labour Rules 2015, Rule 5 5(14): It was noted that fire drills are not noticed before 15 days to the fire department as required by the law.

During factory visit it was found that no protective gloves (mesh gloves) was provided to 2 out of 2 cutter man at cutting section. [Bangladesh Labor Amendment Act 2013, 78A]

Although the factory has developed emergency policy and procedure but responsible persons was not aware on the emergency system which does not ensure a functioning system for accident and emergency procedures in the premises to ensure better health and safety system. [As per amfori BSCI CoC]

Through documents review and management interview, it was noted that a) the factory has recorded injury but investigation to identify root cause of the injuries were not done properly and b) the factory has no proper procedure to record the near misses' accidents.

Through current assessment it was noted that a) the factory did not collect any "structural Certificate" from the concern authority, b) 2nd hand rail found missing from ground floor to 1st floor for 1 out of 2 staircases; handrail on each side was absent from 1st floor 6th floor for 1 out of 2 staircases [Bangladesh Labor Rules 2015, Section-54] and c) the factory has taken building approval as "commercial building" instead of "industrial building". [Bangladesh Labour Rules 2015, Rules 353 (1)]

Although factory have competent person as electrician but does not have competent person as boiler operator. [Bangladesh Boiler Act-2022, Chapter-3, section 9]

It was noted that (a) smoke detectors in the factory found insufficient where the factory is using some manual smoke detectors. Besides, the smoke detectors are not connected with fire alarm. b) During factory visit and checking fire hose pipe water pressure found low in hose pipe. Beside factory has water reservoir of 4000 liters instead of 5000 liters (at least) and 1 fire hose pipe in each floor instead of 2 as per law. c) No fire equipment (fire alarm, fire extinguisher, PA system, fire detection, fire hose pipe) found in building 2. d) While checking fire alarm, found nonfunctional 3 out of 7 floors. [Bangladesh Labor Rules 2015, Rules 55]

The factory did not post any evacuation plan in printing section building 2. [Bangladesh Labor Rules 2015-Sixth Chapter-Safety Rule 55]

During factory visit it was found that around 40% operators kept their eye guards and needle guard displaced while working at sewing section. [Bangladesh Labor Amendment Act 2013, 78A]

PA 7: Occupational Health and Safety

In accordance with Bangladesh Labour Rules 2015, Rule no 77(1): It was noted that (a) factory did not appoint any doctor or nurse as per law. (b) Through they have a medical room but it's not well equipped.

Through documents review as well as interview, it was noted that though the factory has an emergency procedure to deal with trauma and serious illness but interviewed workers were found less knowledgeable regarding trauma or serious illness.

During the documents review it was noted that, the auditee did not conduct any drinking water test within last 12 months. As a result, it is not confirmed that the drinking water is safe or not for the workers and staffs. [Bangladesh Labor Rules 2015-Fifth Chapter-Protection For Health Rule 50 (5)]

The factory does not have any canteen facility for the employees. Besides ventilation or air circulation system and lighting were not adequate in the dining hall. In addition no drinking water facility and hand washing arrayment was present in the dining hall.

During factory visit it was found that the generator is located at ground floor which does not have any system (generator canopy) to reduce its noise. Also note while running the generator it creates huge noise in the surrounding area. [Bangladesh Labour Law 2006, section 56]

PA 10: No Precarious Employment

Through plant tour, documents review and interview, it was noted that the factory did not provide ID cards to 30% workers. [Bangladesh Labour Rules 2015, Section 19(5), Form- 06]

PA 12: Protection of the Environment

Through documents review as well as interview, it was noted that though the factory has assessed the "Environmental Impact Assessment" through a 3rd party (Ecotech Solutions BD Ltd.) on October, 2022 but the building no# 02 was not taken into consideration while assessing.

Through current assessment, it was noted that the factory did not obtain Environmental Clearance Certificate from the Department of Environment. [Reference: Bangladesh Environment Conservation Rules 1997, Rule 8(1 & 2)]

Through current assessment it was noted that though the factory management has conducted risk assessment on water waste reduction and also provided awareness training to the employees for water waste reduction but the facility did not have any procedure to preserve natural water resource (recycling practices, preserve rainwater etc.) to ensure better environment in the premises.

PA 13: Ethical Business Behaviour

Through documents review as well as interview, it was noted that the factory did not identify the possible risky areas where corruption and bribery may happen. In addition, they did not provide sufficient training to the relevant employees and did not have any provision of reward to maintain ethical behaviours.