

Monitoring result for Maruhisa Pacific Co.Ltd on site Site 1

Monitoring

Monitored Party	: Maruhisa Pacific Co.Ltd
amfori ID	: 050-001816-000
Site	: Site 1
Site amfori ID	: 050-001816-001
Address	: Plot No-118-121, Adamjee Export Processing Zone, Shiddirgonj, Narayangonj. : Narayangonj : Dhaka : Bangladesh
Monitoring Activity	: amfori Social Audit - Manufacturing
Monitoring Type	: Full Monitoring
Submission Date	: 11/02/2022
Expiration Date	: 11/02/2023

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Overall rating



Section rating

PA1: Social Management System	C
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	A
PA 6: Decent Working Hours	C
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	B
PA 13: Ethical Business Behaviour	A

General description

Auditing Company: ITS Labtest Bangladesh Ltd.

Name of Auditors and APSCA Registration Number:

- 1) A F M Amin Sharif– RA 21703440
- 2) Fuara Sultana – RA 21703441
- 3) Md. Ataur Rahman - RA 21702809
- 4) Mamonur Rahman Khan - ASCA 21700982

Audit Date: 02 & 03 February 2022

This is a full audit conducted in two days. Four auditors in day one (02 February 2022) and one auditor in day two (03 February 2022) to verify the facility's operations against the amfori BSCI Code of Conduct and local legislation. The facility management was positive towards this audit and provided full access to the auditors. Note, in this audit 4.5 man-days spent on-site, and 0.5 man-day assigned for offsite report purpose.

Maruhisa Pacific Co.Ltd. is 100% export-oriented knit garments manufacturer located at Plot # 118-121, AEPZ , Shiddirgonj, Narayanganj, Bangladesh. BEPZ (Bangladesh Export Processing Zone) allotment number- IP:PJT-AEPZ-80/734. The facility has incorporated in 2009 started its operation since 2010 at current location. Total land area occupied by factory is about 175,993 square feet, production area is about 203,716 square feet and warehouse area is about 49,928 square feet.

Facility's working hours are as follows:

- There is 01 general shift which is from 07:30 am to 04:30 pm including 01-hour Interval for rest or meal from 12:30 pm to 01:30 pm and 01:00 pm to 02:00 pm.
- Besides the facility runs 2 shift in knitting ,dyeing and dyeing maintenance from 08:00 am to 05:00 pm , 08:00 pm to 05:00 am with 01-hour Interval for rest and meal.
- Apart from above the facility has 03 shifts (06:00 am to 02:00 pm, 02:00 pm to 10:00 pm and 10:00 pm to 06:00 am) in security section including 01-hour Interval for rest or meal in each shift. Security sections weekly holiday provided as rotation basis. In general, the employees of the facility work for 06 days in a week (Saturday to Thursday) and Friday is weekly holiday. All employees were recruited permanently and receive wages by monthly basis in local currency within 7th working day of the following month. Currently factory uses electronic system (card punch) to record daily attendance.

Auditor conducted opening meeting, site observation, workers, worker representatives, management interview, document review and closing meeting. Mr. Jahirul Islam- General Manger - Human Resource, Admin, Compliance and production was responsible for implementation of social compliance system in the facility.

Site description:

The facility premises consist of total 06 buildings & 03 sheds. Detail description is given below:

Building- 01 (4 storied):

Ground floor: Cutting section, packing, finishing section, medical room.

1st floor: Sewing section, lab, office.

2nd floor: Sewing section, accessories store, display room.

3rd floor: Printing section and chemical room.

Roof top open

Building- 02 (5 storied):

Ground floor: Finished fabric store, winding section, brushing section.

1st floor: Knitting section

2nd floor: Finishing section, sewing thread, leftover accessories storage

3rd floor: Sewing section, spot removing room

4th floor: Sewing section, fabric store

Roof top: Vacant

Building- 03 (1 storied with mezzanine):

Ground floor: Dyeing section, dyeing finishing section, chemical store, WTP, Childcare room.

Mezzanine floor: dyeing lab, wastage room

Building- 04 (3 storied):

Ground floor: Drinking water treatment plant, sub-station, generator, finished goods store.

1st floor: Carton storage.

2nd floor: Japanese dining.

Roof top: Vacant.

Building- 05 (3 storied):

Ground floor: ETP & Boiler

1st floor: Worker's dining & Canteen

2nd floor: Worker's dining

Roof top: Prayer room & 50% open space

Building- 06 (5 storied):

Ground floor: Fabric store, Gas Generator

1st floor: Fabric and yarn storage.

2nd floor: Cutting section

3rd floor: Yarn storage.

4th floor: Yarn storage.

Roof top: Vacant.

Building- 07 (1 storied):

Security post.

Shed -01 (1 storied)

Ground floor: Childcare room, dyeing section, washing section, dyeing office & Chemical storage.

Mezzanine: Lab

Shed 02: Yarn storage.

Shed 03: Chemical store.

Opening meeting:

In opening, Mr. Jahirul Islam- General Manger- Human Resource, Admin, Compliance and production, Mr. Habibur Rahman Manik- Assistant Manager - Human Resource, Mr. Nazmul Haque Tamal- Manager – Human Resource and Ms. Amena Begum – Senior Operator and Vice president of Participation Committee were present in the opening meeting. Auditor described the whole audit process, standards, scope, and explained the amfori BSCI code of conduct and local laws to what extent these are related to this audit in the opening meeting.

Health and safety visit:

Right after the opening meeting, audit team went out for a site/plant visit with permission for photography and workers interview from the management. During site tour all areas of the facility such as Knitting, Dyeing, Cutting, Printing, Sewing, Quality, Finishing, Packing, and other non-production areas etc. were covered during the audit.

Documents review and employee's interview:

All employees are permanent. 36 permanent employees were selected for interviews from different production processes and non-production sections. Among them 12 were male and 24 were female. Audit scope was from January 2021 to December 2021 and among them payroll records and timecards for the month of December 2021 (most recent paid month), August 2021 (Random month) and March 2021 (Random month) were reviewed in detail. All employees receive wages as per law in local currency within 7th working days of the following month. Main production processes were Knitting, Dyeing, Cutting, Printing, Sewing, Finishing and Packing. etc.

Moreover, attendance register, production records, garments inspection report, broken needle register and many other documents relevant to this audit were reviewed by the auditors. As per facility management, factory have no peak / off peak season, rather round the year same in terms of production.

Improvement areas:

Improvement areas were identified in PA 1, PA 2, PA 4, PA 5, PA 6 , PA 7, PA 12 and PA 13. Details has been pointed out in the respective checklist point.

For the areas (PA 03, PA 8, PA 9, PA 10, and PA 11), no non-conformities were noted, and the compliance noted is mentioned in relevant Performance areas.

Closing meeting:

A closing meeting was conducted at end of the audit. All the attendees of opening meeting along with were present in closing meeting. Auditors communicated all the findings in detail and discussed on the area of improvements to the auditees. The auditee was positive on the discussion and agreed on the area of improvements. Mr. Jahirul Islam- General Manger - Human Resource, Admin, Compliance and production and Ms. Amena Begum – Senior Operator and Vice president of Participation Committee of Participation Committee has signed the findings report.

#COVID19:

The facility has taken some preventive actions for the #COVID19 situation. For example, they have arranged hand washing areas at the factory gate and at the facility production floors. The facility ensured all employee's body temperature are checked through infra-red gun. The facility has ensured cleaning schedule to disinfect the facility premise including common furniture and equipment.

Note 01:

Below documents have not uploaded as these were not applicable for this facility:

- Agency labour contract , not applicable as there was no agency used by the facility.
- Government waivers, not applicable as there was no Government waivers.
- Structural/stability license, not applicable as this is not required by law
- Collective bargaining agreements, not applicable as there was no CBA at the facility.

Below photographs have not uploaded as these were not applicable for this facility as no such activity was identified at the facility during audit:

- Dormitories .
- High risk health and safety areas.
- Inconsistences between time and production records.

Site Details

Site : Site 1
Site amfori ID : 050-001816-001

GICS Classification

Sector	: Industrials	Industry	: Industrial Conglomerates
Industry Group	: Capital Goods	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	1802 Workers
Legal minimum wage in local currency	8200 Monthly
Lowest wage paid for regular work at the site	8200 Monthly
Calculated living wage in local currency	11220 Monthly
Total sample	36 Workers

Other Metrics

Male workers	649 Workers
Female workers	1153 Workers
Permanent workers - Male	678 Workers
Permanent workers - Female	1203 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	24 Workers
Management - Female	1 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	42 Workers
Workers on probation - Female	250 Workers
Workers with night shift - Male	85 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	1 Workers
Workers with disabilities - Female	2 Workers
Domestic migrant workers - Male	470 Workers
Domestic migrant workers - Female	841 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	648 Workers
Workers hired directly - Female	1165 Workers
Workers hired indirectly - Male	30 Workers
Workers hired indirectly - Female	38 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	19 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	13 Workers
Sample - Male	12 Workers
Sample - Female	24 Workers

Findings

PA1: Social Management System

In accordance with amfori BSCI Performance Area (Social Management System and Cascade Effect) No. 1.1 (Is there satisfactory evidence that the auditee has set up an effective management system to implement the BSCI Code of Conduct): Finding: It was noted that the established management system of the facility needs some improvement in implementing BSCI Code of Conduct in their business practice in few performance areas. Note: The facility has other effective system, policies and procedures in place to implement the BSCI COC in their business practice, so partial rating is given in this checkpoint.

In accordance with BSCI Performance Area (Social Management System and Cascade Effect) No. 1.4: (Is there satisfactory evidence that the auditee's workforce capacity is properly organized to meet the expectations of the delivery order and/or contracts?) Finding: It was noted that, facility management has done capacity planning and also included "contingency plan" (in case something slows down or interrupts production) but still some gap identified. Through sample months reviewed it was observed that the factory management did 03 to 04 hours daily overtime work in 03 out of 03 sample months. Based on the scenario it was noted that capacity planning has not done considering all factors and due to that reason facility required to do excessive overtime work daily and weekly basis. Note: As facility had a capacity plan, so partial rating was given to this checkpoint.

PA 2: Workers Involvement and Protection

In accordance with BSCI Performance Area (Workers Involvement and Protection) No. 2.2: (Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the BSCI Code of Conduct?): Finding: It was note that, facility management has developed vision, mission and objectives of the company as well as has defined long term goals but does not cover the few performances area like "Social management system" and "Workers involvement and protection" . In addition, workers representative was not found genuinely involved in defining those goals. Note: The facility has vision, mission and long-term goal, so partial rating is given in this section.

In accordance with BSCI Performance Area (Workers Involvement and Protection) No. 2.5: (Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?): Finding: It was noted that, the facility has a mechanism to handle grievance of the employees. But grievance mechanism of the facility does not define how to deal with potential conflict of interest as well as appeal process. Note, facility management has established a grievance procedure for internal issues, so the answer to this question has been given as partially.

PA 4: No Discrimination

In accordance with BSCI Performance Area (No Discrimination) No: 4.1 (Is there satisfactory evidence that the auditee takes the necessary measures to avoid or eradicate discrimination in the workplace?) Finding: It was noted that facility management adopted a policy and procedure on discrimination to protect workplace discrimination, but they did not conduct any internal assessment on the most frequent grounds used for discrimination as well as the most common activities through which discrimination may occur and did not identify the root cause of discriminatory behaviors. Note: Facility management has policy, procedure on harassment, discrimination, so partial rating has given in this questionnaire.

PA 5: Fair Remuneration

In accordance with BSCI Performance Area (Fair Remuneration) No. 5.4: (Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?): Finding: It was noted that the factory management did not take initiative to achieve living wages and no action plan is in place to fill up gap between present local minimum wage and living wage. Note: As facility is ensuring minimum wages as per law, so partial rating is given in this section.

PA 6: Decent Working Hours

In accordance with amfori BSCI Performance Area (Decent Working Hours) No. 6.2 (Is there satisfactory evidence that the auditee request of overtime is in line with the requirements of the amfori BSCI Code of Conduct?) and Bangladesh EPZ Labour Act 2019, Section 38 and 40 (1): (Daily working hours. No worker shall ordinarily work or be required to work in an enterprise for more than 8 (eight) hours in a day: and No worker shall ordinarily work or be required to work in an enterprise for more than 48 (forty eight) hours in a week.) Finding: It was noted that the facility has worked excessive overtime in the sample months as follows: a) In December 2021 (Recent Paid Month), I. 22 out of 36 workers have worked a minimum of 11 hours (08 hours regular+03 hours overtime) to a maximum of 12 hours (8 hours regular+04 hours overtime) in a day. II. 22 out of 36 workers have worked a minimum of 61 hours (48 hours regular+13 hours overtime) to a maximum of 72 hours (48 hours regular+24 hours overtime) in a week. b) In August 2021 (Random Paid Month), I. 31 out of 36 workers have worked a minimum of 11 hours (08 hours regular+03 hours overtime) to a maximum of 12 hours (08 hours regular+04 hours overtime) in a day. II. 31 out of 36

PA 6: Decent Working Hours

workers have worked a minimum of 61 hours (48 hours regular+13 hours overtime) to a maximum of 72 hours (48 hours regular +24 hours overtime) in a week. c) In March 2021 (Random Paid Month), I. 26 out of 36 workers have worked a minimum of 11 hours (08 hours regular+03 hours overtime) to a maximum of 12 hours (08 hours regular+04 hours overtime) in a day. II. 25 out of 36 workers have worked a minimum of 61 hours (48 hours regular+13 hours overtime) to a maximum of 72 hours (48 hours regular+24 hours overtime) in a week. Note, as overtime payment was provided accordingly, so partial rating was given to this checkpoint.

PA 7: Occupational Health and Safety

In accordance with BSCI Questionnaire 7.6: (Is there satisfactory evidence that the auditee enforces the use of Personal Protective Equipment in conjunction with other facility controls and safety systems?) & Bangladesh Labour Law 2006; Amended 2013, Section 78 (a-1): (In an applicable case, an employer shall not engage any workers in work without providing and ensuring use of personal safety equipment, and in doing so, a record book shall be maintained as designated by the owner.) Finding: It was noted that, a) 01 out of 02 hand gloves was not wearing by a bend knife operator at cutting section of ground floor of building 1, b) 5 out of 10 dyeing operators were found not using hand gloves while working at building 3. Note: As other employees were found using proper PPE during working time, thus partial rating has been given in this checkpoint.

In accordance with BSCI Performance Area (Occupational Health & Safety) No. 7.7 (Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimize the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognized limits?) and Bangladesh Labour Law, 2006, section: 79(e): (Where the Government is satisfied that any operation carried on in an establishment exposes any person employed in it to a serious risk of bodily injury, poisoning, or disease, it may make rules applicable to such establishment or class of establishments in which such operation is carried on- (e) notice specifying use and precautions regarding use of any corrosive chemicals.) Finding: It was noted that, MSDS, labeling and secondary containment were found missing for a) 03 to 03 chemical drums which was kept in front of the generator room located at ground floor of building-1 b) 04 to 04 chemical drums which was kept in front of the boiler room located beside building-3. Note: Facility has given MSDS, Secondary containment and labeling at others area, so partial rating has been given in this section.

In accordance with amfori BSCI Performance Area (Occupational Health and Safety) No. 7.11 (Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?) and Bangladesh Energy Regulatory Commission Act, 2003-Section 27(a) (1) No person shall engage himself in the following business unless he is empowered by a license or exempted from having it under this Act or any other Act, such as:- (a) power generation; (b) energy transmission; (c) energy distribution and marketing; (d) energy supply; and (e) energy storage.) Findings: It was noted that the facility had 02 generators with a power generation capacity of 1.21 MW (770 kw + 440 kw) , but Captive power plant permission has expired on 29 December 2021. However, the facility has already applied for renewal on dated 23 December 2021 but has not received an approval copy yet. Note: As facility management maintained all other updated licenses and permissions as per requirement, thus partial rating has been given in this checkpoint.

In accordance with BSCI Performance Area (Occupational Health and Safety) No. 7.15 (Is there satisfactory evidence that the auditee ensures that escape routes, aisles and emergency exits in the production site are not blocked, easily accessible and clearly marked?) and Bangladesh Labour Law, 2006, section: 62(6) (A free passage-way giving access to each means of escape in case of fire shall be maintained for the use of all workers in every room of the establishment.) and Bangladesh Labour Law, 2006, section: 72. (Floors, stairs and passages in every establishment, (c) Passages and stairways shall be clean, wide and clear of all obstructions) Finding: It was noted that, the following aisles and escape routes was found partially blocked at facility building: • 01 out 02 exit was found partially blocked by carton in 3rd floor and 4th floor of building 06. • 01 out of 02 stair was found partially blocked by carton in 3rd floor of building 06. • Ground, 3rd and 4th floors were found fully stacked by yarn and finished fabric and no pathways were identified in those floors of building 06. • 01 out of 01 aisles mark were found faded at packing section located 2nd floor of building 02. • 1 out of 2 exit way was found partially blocked by finished cartons at ground floor of packing and finishing section of building 1. Note: As facility has marked evacuation routs in other areas, so partial rating has been given in this section.

In accordance with BSCI Performance Area (Occupational Health and Safety) No. 7.25 (Is there satisfactory evidence the auditee verifies that temperature, humidity, space, sanitation, illumination are adequate for the health and safety of workers?) Finding: It was noted that the facility did not carry out any test to determine the level of temperature, humidity, and illumination as part of OHS risk assessment at the workplace. Note that the facility measures space allocation of workers and machinery of all floors, thus partial rating has been given in this checkpoint.

PA 12: Protection of the Environment

In accordance with BSCI code of conduct 12(Protection of environment) no. 12.4(Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?) & Bangladesh Labour Rules 2015, no. 47(47): (Removal of wastes: (1) As per the section 54, the arrangements of removing the wastes and liquids should be in accordance with the existing law and direction of the country and the clearance issued by the environment and health authorities concerned on the measures taken should be submitted to the inspector.) Finding: It was noted that facility have a segregated waste collection and keeping area, however, solid wastage (poly, plastic, chemical drum etc.) were found keeping in different places

PA 12: Protection of the Environment

and in open space without proper segregation. Note that facility management had environment policy and procedure, thus partial rating has been given in this questionnaire.

In accordance with BSCI code of conduct 12(Protection of environment) no. 12.5: (Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?): Finding: It was noted that facility did not have any procedure to prevent water lose and have a system 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. Note: As the facility management gives awareness training to all employees on water use, so partial rating is given in this section.

PA 13: Ethical Business Behaviour

In accordance with BSCI Performance Area (Ethical Business Behaviour) No. 13.2 (Is there satisfactory evidence that the auditee keeps accurate information regarding its own activities, structure and performance?) Finding: It was noted that the facility was maintaining a manual time recording system for security sections and cleaner where all "IN" and "OUT" time were uniform (e.g. In 6:00 am and out 2:00 pm) and it does conflict with actual "IN" and "OUT" time of employees. However, the facility provided sampled months' payroll records with employee signatures and those were consistent with other documents. During audit day a total of 68 employees was working as security guard and cleaner for this facility. Note: As the facility has maintained a time recording system for security sections and electronic time recording system was maintained for others sections, so partial rating is given in this checkpoint.