

# Monitoring result for Arunima Sports Wear Ltd on site Arunima Sports Wear Ltd.

## Monitoring

Monitored Party	: Arunima Sports Wear Ltd	amfori ID	: 050-000063-000
Site	: Arunima Sports Wear Ltd.	Site amfori ID	: 050-000063-002
Address	: Arunima Sports Wear Ltd.- Holding-08/63/4, Road-1, Ward-8, Block-D, Zirabo, Ashulia, : Savar : Dhaka : Bangladesh	Monitoring Activity	: amfori Social Audit - Manufacturing
		Monitoring Type	: Full Monitoring
		Submission Date	: 26/11/2021
		Expiration Date	: 26/11/2023

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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	B
PA 5: Fair Remuneration	A
PA 6: Decent Working Hours	C
PA 7: Occupational Health and Safety	A
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

The audited facility Arunima Sports Wear Ltd. is 100% export-oriented knit and woven garments manufacturing company which is located at Holding-08/63/4, Road-1, Ward-8, Block-D, Zirabo, Ashulia, Savar, Dhaka-1341, Bangladesh. The main production process of this facility is Cutting, Sewing, Finishing (Iron to pack). The production capacity of the audited facility is 900,000 pieces of knit garments and 5,00,000 pieces of woven garments per month. The land area is about is occupied about 1,09,231 square feet, the Production area 1,80,000 square feet and the storage area is about 20,000 square feet. The factory was established in April 2003 (as per the Incorporation certificate) and since 2004, the facility started its production.

There are two factories (sister concern) situated in the facility premises named Arunima Sports Wear Ltd. (audited factory) & DMC Apparels Ltd. (Sister concern).

The audited factory occupied 03 buildings and 09 Sheds which are as follows;

Building # 01 (09 Storied):

Ground Floor: Cutting section, sample fabric & accessories keeping area, stationary materials keeping room, finishing goods keeping area (knit & woven), security In-Charge office, Time section, mini embroidery room for sampling & Fire command room.

1st Floor: Sewing section, welfare office, office room, IE department and woven fabric inspection room.

2nd Floor: Sewing section, needle control room, mechanical office room, inspection room, admin section, IE department.

3rd Floor: Sewing section, training/woven sample room, training/knit sample room, IE department office, office room zipper keeping room.

4th Floor: Knit sewing section, needle control room, sub-accessories store, compliance office, time Section, inspection Room, office room.

5th Floor: Central finishing section, fusing room, packing section, wash garments keeping area, spot removing room, IE department.

6th Floor: Sewing section, needle control room, finishing section, packing section, IE department, office.

7th Floor: Cutting section, spot removing room, reject parts keeping area, In-house Lab, knit finishing, metal detector machine and finish goods keeping area.

8th Floor: Merchandising, IT, commercial, account, conference room, staff dining hall, sample section, CAD & directors office, inspection room, BDC office.

Rooftop: 100% vacant

Building # 02 (One storied): Compressor room, documents control room & office room.

Building # 03 (Utility Building one-storied with semi-basement): Basement - Power generator & ground floor- substation (Combinedly used).

Sheds Details:

Shed # 01: Maintenance office, lubricant keeping room.

Shed # 02 (Combinedly used): Power generator room & boiler room.

Shed # 03 (Combinedly used): Dining area, canteen, fabric inspection area.

Shed # 04 (Combinedly used): Central Store (fabric & accessories), non-conforming goods keeping area.

Shed # 05 (Combinedly used): Medical & child care room.

Shed # 06 (Combinedly used): Waste keeping area.

Shed # 07 (Combinedly used): Fire Pump Room.

Shed # 8 (Combinedly used): RMS room.

Shed # 9 (Combinedly used): Security post.

4 Containers: Temporary fabrics keeping area.

Besides one seven-storied building and 01 shed was occupied by DMC Apparels Ltd. (Sister Concern).

The facility has a total of 110 first aider and 55 first aid boxes, 990 firefighters, 41 hose pipes, 394 ABC fire extinguishers, 71 Co2 fire extinguishers, 05 Foam fire extinguishers, 104 fire alarms, 69 smoke detectors, 17 heat detectors, 2315 sprinkler heads, 140 emergency lights and 04 staircases.

There is a total of 4244 employees in the facility with 1953 female and 2291 male employees. The general working hour of the facility is from 08:30 am to 05:30 pm. Besides facility has 2 shifts for loading workers: Shift 1: from 08:30 am to 05:30 pm, shift 2: from 08:30 pm to 05:30 am as well as the facility has 3 shifts for security sections: Shift 1: from 12:00 am to 8:00 am, shift 2: from 8:00 am to 4:00 pm and shift 03: from 4:00 pm to 12:00 am. Employees are allowed a one-hour meal break. The facility maintains an electronic (fingerprint) time record system. All employees of the factory work 6 days (Saturday to Thursday) in a week and Friday is their weekly day off. Rotation basis weekly day off for shift workers. The wage period of the factory is based on a calendar month. Employees receive wages in monthly basis through cash (80%) & bank transfer (20%) in local currency as per law.

Audit Process – The audit team consists of 5 auditors who conducted this full monitoring audit in two days (14th & 15th November 2021). On the 1st day of the audit, 03 auditors (Nasim Banu, Foysal Ahammed & Mohammed Saiful Islam) came to the factory to conduct this audit and 2nd day of the audit, 2 auditors (Nasim Banu & Foysal Ahammed) continued the audit. An opening meeting was held on the 1st day of the assessment where Md. Nasir Uddin - Assistant General Manager (Compliance), Mr. Imran Hossain Chowdhury - Compliance Officer (Safety), Md. Monirul Islam - Officer (Compliance), Md. Ashrafal Haque -

Officer (Compliance), Md. Abdur Rahim - Manager (Welfare) and Mr. Abdul Latif - Vice President of Participation Committee were present during the opening meeting.

During the opening meeting, auditors explained the audit scope and process and a detailed description of amfori BSCI new requirement and approach. Immediately after the opening meeting a site visit was conducted with the factory management. A general document checklist was provided to the management and supplied documents were reviewed. The auditors verified documents from November 2020 to October 2021.

Closing meeting: At the end of the assessment a closing meeting was held to discuss all the areas of improvement in the CAP and positive notes with where Md. Nasir Uddin - Assistant General Manager (Compliance) and with his team. Facility management agreed on all findings and signed on closing meeting report. The auditor informed the management regarding the submission of the remediation plan to the amfori BSCI participant through amfori BSCI platform against the findings raised on the audit within 60 days.

Overall Findings: Non-compliance was noted in the area of "Social Management System and Cascade Effect", "Workers Involvement and Protection", "No Discrimination", "Fair Remuneration", "Decent Working Hours", "Occupational Health and Safety" and "Protection of the Environment". Details of the findings are listed in the respective sections. For other areas, no non-conformity was noted.

Auditing Company Name: SGS Bangladesh Limited.

Auditors' APSCA numbers are as follows:

Nasim Banu (RA 21701272)

Foysal Ahammed (ASCA 21701426)

Mohammed Saiful Islam (RA 21701603)

Comment for # Covid-19.

- a) Arranging and ensuring a handwashing facility for each employee at each entrance of the production floor when entering the factory.
- b) Ensuring face masks for each employee.
- c) Maintaining the same arrangement for visitors.
- d) Having a reporting system to medical person or management if suspected case observed.
- e) Facility has posted awareness posters of Covid-19.

## Site Details

Site : Arunima Sports Wear Ltd.

Site amfori ID : 050-000063-002

### GICS Classification

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Sector : Industrials

Industry : Industrial Conglomerates

Industry Group : Capital Goods

Sub Industry : Industrial Conglomerates

### GS1 Classifications

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N.A.

### Product Process Classifications

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N.A.

## Metrics

### Key Metrics

Total workforce	3619 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	40 Workers

### Other Metrics

Male workers	2027 Workers
Female workers	1592 Workers
Permanent workers - Male	2291 Workers
Permanent workers - Female	1953 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	233 Workers
Management - Female	7 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	210 Workers
Workers on probation - Female	316 Workers
Workers with night shift - Male	27 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	10 Workers
Workers with disabilities - Female	8 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	2291 Workers
Workers hired directly - Female	1953 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	36 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	26 Workers
Sample - Male	22 Workers
Sample - Female	18 Workers

## Findings

### PA1: Social Management System

The auditee is in the process to implement of amfori BSCI code of conduct into the auditee's day-to-day business culture as the factory did not implement living wage properly, sufficient awareness was not found from the workers on amfori BSCI COC. Few gaps were also found in no discrimination, decent working hours, occupational health and safety and protection of the environment performance areas. [As per amfori BSCI COC checkpoint no. 1.1]

It was noted through production capacity planning review and management interviews that the facility did not develop actual/realistic capacity planning to avoid excessive overtime. In addition, the Facility did not develop any contingency plan including per-unit production cost, per unit worker cost, who will make the decision if the shipment date is not met. [As per amfori BSCI COC checkpoint no 1.4]

### PA 2: Workers Involvement and Protection

Though the facility has provided awareness training on amfori BSCI COC but sufficient awareness was not found from the interviewed workers and worker's representatives. [As per amfori BSCI COC checkpoint no. 2.4]

Though the facility has a policy on grievance for workers but the policy was not in line with amfori BSCI requirements as the policy did not define how to deal with "potential conflict of interest". Furthermore, no mechanism has been found for the communities and business partners to lodge their grievances, if any. [As per amfori BSCI COC Checkpoint no 2.5]

### PA 4: No Discrimination

The facility did not conduct a satisfaction survey on discrimination, harassment and grievance mechanism. [As per amfori BSCI COC checkpoint no. 4.2]

### PA 5: Fair Remuneration

The facility did not estimate living standards properly in the region calculating their living wage to determine a potential gap between the present local minimum wage and a living wage. Moreover, no action plan is in place to fill the gaps. [As per amfori BSCI COC checkpoint no.5.4]

### PA 6: Decent Working Hours

As per Job cards and wages payment records reviewed, workers & management interview that the facility had performed excessive overtime in the following sample months: a. 33 out of 40 sample workers had worked from 13 to 24 (exceed 12) hours overtime in a week in the month of October 2021 (current month) and daily maximum overtime found 4 hours. b. 21 out of 40 sample workers had worked from 13 to 24 (exceed 12) hours overtime in a week in the month of April 2021 (random month) and daily maximum overtime found 4 hours. c. 28 out of 40 sample workers had worked from 13 to 24 (exceed 12) hours of overtime in a week in the month of December 2020 (random month) and daily maximum overtime found 4 hours. [As per amfori BSCI COC checkpoint no. 6.2]

### PA 7: Occupational Health and Safety

Though the facility has a system for internal audit for monitoring the health and safety system of the factory but some gaps were identified in occupational health and safety performance area including risk assessment, minor injury recording system, building construction approval, boiler certificate and machine safety. [As per amfori BSCI COC checkpoint no. 7.1].

a) Facility management did not conduct a proper risk assessment for safe evacuation during an emergency situation as approximately 20 workers were found partially obstructed by co-workers, incomplete goods and working tables in sewing and finishing sections on 1st, 2nd, 3rd, 5th and 6th floor of building # 01. In addition, improper risk assessment was noted for finishing section as stand fans were found in the passageway of adjacent to pressing area, at finishing the section on 6th floor of building # 01 but in facility's conducted risk assessment did not consider the risk associated with stand fan which was kept in the mentioned passageway. b) Facility did not identify the risk of drinking water as Total Coliform (TC) concentration parameters found 134 instead of 0 and Fecal Coliform (FC) parameters concentration found 70 instead of 0 noted through drinking water test review. [As per Bangladesh Labor Rules, 2015, Schedule-4, Matters relating to safety committee (1) and amfori BSCI COC checkpoint no. 7.3]

The facility has an injury recording system in the medical room but did not have a minor injury recording system that is treated by first aiders in the production floor for taking corrective and preventive action. [As per Bangladesh Labor Rules-2015, Rule-73 (1) and amfori BSCI COC checkpoint no 7.10]

## PA 7: Occupational Health and Safety

a) The facility did not take a construction approval plan for building # 02, building # 03 and 5 sheds. However, a construction approval plan was found for the main production building # 1. [As per Building construction act 1952 section -3 A and amfori BSCI COC checkpoint no 7.11]. b) 1 out of 2 boiler licenses of the factory has been expired on November 09, 2021. However, factory management has applied to the concerned authority for the renewal on November 7, 2021. [ As per the Boilers Act 1923, Section - 8 (1, a) and amfori BSCI COC checkpoint no 7.11]

Around 06% eye guards of flatlock machines, overlock machines and around 05% needle guards of sewing machines were found in displaced condition at sewing sections on 1st floor, 2nd floor, 3rd floor, 4th floor and 6th floor of building # 01. [As per Bangladesh Labour Law 2006, section 63(1) D (3) and amfori BSCI COC checkpoint no 7.17]

## PA 12: Protection of the Environment

The facility did not have a significant program to preserve natural water resources (recycling practices, preserving rainwater, etc.) to ensure a better environment on the premises. Moreover, no awareness training was provided to the workers on the proper use of water. However, the facility keeps water consumption records on monthly basis. [As per amfori BSCI COC checkpoint no.12.5]