

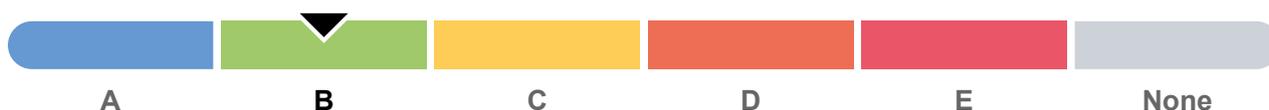
Monitored Party Sagacious Fashions Ltd.	amfori ID 050-000580-000	Address 74/1, Degerchala Main Road, National University, 1705 Gazipur Sadar, Dhaka, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner UL LLC
Monitoring Start Date 19/06/2023	Closing Meeting Finished Date 25/06/2023	Submission Date 25/06/2023
Expiration Date 25/06/2025	Announcement Type Fully Announced	
Site Sagacious Fashions Ltd.	Site amfori ID 050-000580-002	

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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	A	
PA 5: Fair Remuneration	A	
PA 6: Decent Working Hours	A	
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

(Lead auditor) Raunak Parvin RA 21702831

(Team auditor) Zahidun Nabi ASCA 21702554

(Team auditor) Hassan Prince RA 21702599

UL Solutions

This full initial audit is planned for 3 auditors on 19 June 2023 on an announced basis. This audit is 3.5 man days where 3-man days are applied in the field and the 0.5-man day is for report writing.

The auditors entered in the morning around 10:20 AM and were greeted by the management team. Auditors conducted an opening meeting with-

1. Md. Selim Ahmed- GM
2. Md. Dulal Shaikh- DGM
3. Md. Nuruzzaman- Assistant Manager (Compliance)
4. Md. Sorowar Hossen- Assistant Officer (Payroll)
5. Md. Milon Mia- Electrician
6. ***- Vice President of Participation Committee

The auditor described the audit scope and criteria as per amfori BSCI guidelines. Management agreed to support auditors by providing the necessary document promptly as per the shared audit plan. UL statement of integrity was signed by Md. Nuruzzaman- Assistant Manager (Compliance)

He was also allowed to conduct employee interviews, document reviews, health and safety walkthrough, and photo taking. Md. Nuruzzaman- Assistant Manager (Compliance) signed the TOI and COC for this audit.

Sagacious Fashions Ltd. is an export-oriented garments manufacturing unit. The auditee is located at 74/1, Degerchala Road, National University, Gazipur Sadar, 1704, Gazipur. The auditee has production processes of knitting, cutting, sewing, & finishing. The building is rented. There is an agreement with the building owner. The factory was incorporated on 27 June 2007.

Building Description: The building description is as follows-

Main Building:

Ground Floor- General store, Fabric store, Child care room, Doctor room, Time Section, Security post, Parking area, Assembly point.

1stFloor –Finishing, Packing Section, and Finished Goods area

2nd Floor – Sewing Section

3rdFloor - Sewing Section

4th Floor –Office and cutting Section

5th Floor- Spot removing room, Sample section, Pairing Section, Dining, Prayer zone, free space.

Shade 1

Ground Floor: Sub-station, Boiler, Generator, Compressor, Knitting Section, Yarn store

1st floor: Staff dormitory, Dining

Shade 2: Knitting Section

Staff dormitory is provided and around 6-7 people live here. It's not for the workers, only mid-management employees can avail it.

Employees' attendance is recorded by swipe card. The auditee is running with one shift for the production process of cutting, sewing, and finishing, it's from 8:00 AM to 5:00 PM. The knitting & security section is operated in 3 shifts, 6:00 AM to 2:00 PM, 2:00 PM to 10:00 PM, and 10:00 PM to 6:00 AM. The auditee operates 6 days from Saturday to Thursday. Wednesday was weekly holiday from August 2022 to May 2023, from June 2023 the weekly off is Friday. All are provided with 1 hour break time.

All the working hour schedules are approved by the factory inspector.

1 pregnant worker was observed onsite. Workers are paid on a monthly salary basis in cash. Payment is made within 7 working days after the end of the pay period. There are no piece rate or daily rate workers at the facility. Manpower Total worker number: 367 (147 male and 220 females) Production worker number: 311 (124 male and 187 females) Nonproduction employee: 56 [female 8, male 48] Management level: 5 (5 male and 0 female). Prescheduling reported manpower was 400 but currently, there are 367. As per the management statement, 33 employees left their job. During the audit, no evidence was found for termination. No contractor or piece rate production workers.

Good practices: The auditee provided an attendance bonus of 300 to 600 BDT. There is no Union. However, there is an elected participation committee as an alternative to a trade union. The election was certified by the labor department. The below photos are not available- Agency labor contract- No agency; Contractor license/permit- No contractor, Government Waivers-Not applicable; Collective bargaining agreements- No CBA; Inconsistencies between time and production records- Not detected.

Summary of findings: There was a noncompliance issue reported in PA1, PA 2, PA 5, and PA 7.

PA 1: 1.1 The summary of overall findings.

1.3 Suppliers did not acknowledge the BSCI terms of implementation as per the provided format

PA 2: 2.1 Participation committee meetings were not conducted within the 2 months interval.

2.5 No recording system was implemented for verbal grievances.

PA 5: 5.4 average living wage is not calculated yet and the market survey was not conducted.

PA 7: 7.1 No safety officer was appointed for ensuring the preservation and maintenance of all fire-fighting equipment and keeping them fit and arranging training for the employees.

7.5 Fire drill was not conducted for C shift (10:00 PM to 6:00 AM).'

7.16 No fire safety plan approval was obtained from the concerned fire department.

The auditee was able to demonstrate full compliance on PA 3, PA 4, PA 6, PA 8, PA 9, PA 10, PA 11, PA 12 & PA 13.

Living wage calculation: The auditee has written a long-term plan and goal to close the gap in living wage and provided wage as per law. Currently, the auditee started to calculate their living wage by themselves, however, the average living wage is not calculated yet and the market survey was not conducted to identify the actual gap between the workers' earnings and the probable living costs. In the BSCI platform, the living wage amount is put from the GLWC website as the auditee didn't calculate their living wage.

The auditee has established precautions about #COVID-19 in the facility. The auditee measured people's temperature while entering. They also installed a hand wash facility onsite. Moreover, employees are using masks and awareness posters to maintain social distance as much as possible. No data protection law applied but workers' names and identities are hidden.

Closing Meeting- At the end of the audit, a closing meeting was conducted with-

1. Md. Selim Ahmed- GM
2. Md. Dulal Shaikh- DGM
3. Md. Nuruzzaman- Assistant Manager (Compliance)
4. Md. Sorowar Hossen- Assistant Officer (Payroll)
5. Md. Milon Mia- Electrician
6. ***- Vice President of Participation Committee

The auditor described all the observations based on local law and amfori Code. Management agreed with all the observations and was given the necessary timeframe to accomplish those observations. Management was very positive in the closing meeting. Finally, Md. Nuruzzaman- Assistant Manager (Compliance) and workers association member signed the onsite findings report and the auditors left the facility around 6:50 PM.

SITE DETAILS

Site
Sagacious Fashions Ltd.

Site amfori ID
050-000580-002

GICS Classification

Sector
Industrials

Industry Group
Commercial & Professional Services

Industry
Commercial Services & Supplies

Sub Industry
Commercial Printing

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	333	Workers
Legal minimum wage in local currency	8,000	Monthly
Lowest wage paid for regular work at the site	8,000	Monthly
Calculated living wage in local currency	19,255	Monthly
Total sample	20	Workers

Other Metrics

Male workers	133	Workers
Female workers	200	Workers
Permanent workers - Male	147	Workers
Permanent workers - Female	220	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	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	12	Workers
Workers on probation - Female	18	Workers
Workers with night shift - Male	24	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	147	Workers
Workers hired directly - Female	220	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	1	Workers

Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	7 Workers
Sample - Female	13 Workers

FINDINGS



PA1: Social Management System

Site: Sagacious Fashions Ltd. | Site amfori ID: 050-000580-002

ENGLISH	LOCAL LANGUAGE
Finding(s)	
1.1 Noted through document review, workers, and management interview, the auditee implemented a good management system however, gaps were identified in PA 2 Workers Involvement and Protection, PA 5 Fair Remuneration, and PA 7 Occupational Health & Safety. However, the auditee's management understands that social performance is important for amfori BSCI participants, thus the question is rated as partial. [As per BSCI CoC 1.1]	The auditee understands English.
1.3 Noted through document review, and management interview, randomly checked 4 out of 5 suppliers did not acknowledge the BSCI terms of implementation as per the provided format. [As per BSCI CoC 1.3] However, the auditee implemented the management system to select significant business partners or members, thus the question is rated as partial.	-



PA 2: Workers Involvement and Protection

Site: Sagacious Fashions Ltd. | Site amfori ID: 050-000580-002

ENGLISH
Finding(s)
2.1 Noted through document review, workers, and management interview the participation committee meetings were not conducted within the 2 months interval. The last 3 meeting were arranged on 29 December 2022, 6 March 2023 & 23 May 2023. [As per Bangladesh Labour Code (2006), Section 207] However, the communication structures is established to genuinely involve workers and their representatives to exchange the information on workplace issues, thus, the question is rated is partial.
2.5 Noted through document review, and management interview, no recording system was implemented for the verbal grievances. The auditee showed a register for the grievance box, till now no grievance was found in the boxes. However, there is a written policy procedure for the grievance mechanism, thus the question is rated as partial. [As per BSCI CoC 2.5]



PA 5: Fair Remuneration

Site: Sagacious Fashions Ltd. | Site amfori ID: 050-000580-002

ENGLISH

Finding(s)

5.4 Noted through document review, workers, and management interview the average living wage is not calculated yet and market survey was not conducted to identify the actual gap between the workers' earnings and the probable living costs. However, the auditee has started the collection of expenditure data from the workers' thus the question is rated as partial. [As per BSCI CoC 5.4]

PA 7: Occupational Health and Safety

Site: Sagacious Fashions Ltd. | Site amfori ID: 050-000580-002

ENGLISH

Finding(s)

7.1 Noted through management interview and document review, no safety officer was appointed for ensuring the preservation and maintenance of all fire-fighting equipment and keeping them fit and arranging trainings for the employees. [As per Bangladesh Labor Rules 2015 Amendment 2022-Sixth Chapter-Safety Rule 55 (12)]

However, the auditee is involving workers and their representatives in the drafting and enforcement of the internal procedure on occupational health and safety in different ways like arranging training, conducting risk assessments, forming safety committee etc. Thus, the question is rated is partial.

7.5 Noted through document review, management & workers interview fire drill was not conducted for C shift (10:00 PM to 6:00 AM). However, the auditee provides training on H&S, PPE, machine safety, etc. Thus, the question is rated is partial. [As per Bangladesh Labor Rules 2015 -Sixth Chapter-Safety Rule 55]

7.16. Noted through site tour, document review & management interview, no fire safety plan approval was obtained from concerned fire department. The auditee applied for the safety plan on 15 June 2023. [In accordance with Ministry of Labour & Employment Reminder No. Shrop/Con/ CMC (Part -2)/ 2012/241(3) dated July 1, 2012]