

Monitoring result for KARUPANNYA RANGPUR LTD on site Karupannya Rangpur Ltd.

Monitoring

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|---------------------|--|
| Monitored Party | : KARUPANNYA RANGPUR LTD |
| amfori ID | : 050-000935-000 |
| Site | : Karupannya Rangpur Ltd. |
| Site amfori ID | : 050-000935-002 |
| Address | : Dairy Firm Road, Robartsonsgonj, : Rangpur : Rangpur : Bangladesh |
| Monitoring Activity | : amfori Social Audit - Manufacturing |
| Monitoring Type | : Full Monitoring |
| Submission Date | : 27/02/2022 |
| Expiration Date | : 27/02/2024 |

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Overall rating



Section rating

| | |
|--|---|
| PA1: Social Management System | B |
| PA 2: Workers Involvement and Protection | A |
| 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 | B |
| 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

Karupannaya Rangpur Ltd. (Site amfori ID: 050-000935-002)

This full audit was conducted by the team of TUV-Nord [Md. Muftadeul Islam (RA 21704231), Mohammad Shanjid Rahman Shaheen (ASCA 21704468) and Bodrudduja Chowdhury (ASCA 21704455)] on 24th and 25th January, 2022. 3 auditors were in the 1st day and 2 were in the 2nd day. This was a semi-announced audit as scheduled by the RSP Holder. The team verified the factory's operations against the amfori BSCI Code of Conduct and local legislative requirements.

Location: Karupannaya Rangpur Ltd. is located at Dairy Firm Road, Robartsonsgonj, Rangpur.

Manpower: There are total 2908 employees working in the facility amongst them 700 are male and 2208 are female employee. Amongst this total number 2683 are the employees who are directly engaged with direct production. Factory has 225 non-production employees.

Product and Capacity: 1,250 tones per year.

Production processes : Twisting, Dyeing, Wrapping, Sizing, Weaving, Finishing, and Packing.

Factory Layout: The facility consists of 4 buildings and 4 sheds which description is given below:

Building 1: (Seven Storied Building)

Ground Floor: Weaving, Loom, Sizing, Twisting, Reeling, Coning, Jute Warping, Receiving.

1st Floor: Ware House: Office, Store and Inspection room

2nd Floor: Sample Room, Merchandising Room, Finishing

Free Zone, Finishing, Stitching, Cutting, Tumble Dryer, Packing.

3rd Floor: Cutting, Dining, Office, Twisting, Singing Machine, Bobbin.

4th Floor: Weaving, Checking, Compressor,

5th floor: Sizing Drum.

6th floor: Metal free zone, twisting, Stitching, Cutting, Coir machine.

Roof top: Washing, Burning, Carpenter, and Dryer

Building 02: (Four storied Building)

Ground Floor: ETP, Hazardous Wastage Room.

1st Floor: Security Dormitory,

2nd Floor: Staff Dormitory.

3rd floor: Staff Dormitory.

Roof top: Vacant.

Building 03: (Single storied Building)

Ground Floor: Recreation Center, Grocery Shop, Prayer Room, Medical Center, canteen, Fire Pump Room.

Building 04: (Single storied Building)

Ground Floor: Boiler Room, Hydro Extractor, Checking, Dryer, Dyeing, Lab, Chemical Store, Dyce Store, Office, Washing, Wool Spinning, Oil

Store, Generator, Sub-Station, Rag Cutting, Printing, Back Coating.

Shed 01: Sizing.

Shed 02: Non Hazardous Wastage Room.

Shed 03: Construction Material Store.

Shed 04: Work Shop 2.

Working Hours: The factory runs in two shifts day is from 8:00 am to 5:00 pm and night shift is from 8:00 pm to 5:00 am; both shifts area including one hour break. Worker sometimes needs to do overtime for 2 hours. Employees work regularly 48 hours/ week. Friday is their weekly holiday.

Wages: Employees receive wages by monthly basis. Wages are paid through cash in local currency (BDT) as per minimum wage gazette declared by the Govt.

Opening meeting: 24th January, 2022

Auditors:

Mr. Md. Muftadeul Islam - Lead Auditor

Mr. Bodrudduja Chowdhury - Auditor

Mr. Mohammad Shanjid Rahman Shaheen - Auditor

Factory Representatives:

Mr. Sidharto Lahiri - General Manager.

Md. Kamrul Arefin - Deputy General Manager (HR, Admin & Compliance)

Md. Abu Hasan - Manager (HR & Admin)

Md. Raisul Hasan - Manager (Compliance)

Md. Dulal Mia - Senior Fire man.

Md. Golam Mollah Nael - AGM
Md. Asif Parvez - Compliance officer.
Mr. Uday Chakrabort Polash - Deputy Manager.
Mst Afroza Begum - Welfare Officer
Mst Farida Parvin - Welfare Officer
Ms. Lima khatun - Member of Worker Participation Committee.

During opening meeting, 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, the auditors split into separate individual units to carry out a plant tour, document verification, management interview and other information collection as per the audit plan. All management staff remained with the assessment team throughout the assessment process and was very cooperative throughout the assessment process.

Documentation:

Factory license: 652/ Rangpur and found valid till 30th June, 2022.
Trade license: BL-2010-11006629 and found valid till 30th June, 2022.
Certificate of Incorporation- C-63607(1098)/06.
Fire license: DD/Rong/28/2011-2012 and DD/Rong/35/2014-2015, valid till 30th June, 2022.
Power generation certificate from BERC- LWC-1442. found applied.
Group insurance- 2358190 covered by Pragati Life Insurance Limited
Drinking water test – Lastly done on 16th June 2021 from Department of Public Health Engineering, Rangpur Zonal Lab, Rangpur. Environmental Clearance Certificate No. 19-28900; valid till 15th June 2022.
Boiler no. 8550; valid till 28th April 2022 and Boiler no. 8549; valid till 28 April 2022.
Acid License No. 03/12-13; valid till 30th June, 2022.
Export Promotion Bureau enrolment certificate no. NT-00375; valid till 30th June, 2022.

Md. Kamrul Arefin - Deputy General Manager (HR, Admin & Compliance) is responsible for compliance with the code. Factory has translated amfori BSCI Code in local language and posted them at prominent locations.

Interview and payroll review: 40 permanent employees were randomly selected from different production section for interview. Factory management has provided 1-year payroll records and time record for auditor's review. On sample basis payroll records and time cards of the month of December 2021 (most recent paid month), July 2021 (random month) and February 2021 (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.

Overall Audit Impression: Regular hours are now 48hrs/week and overtime done if needed. Employee wages are calculated and paid once in a month, as per the law. Interview also confirmed that overtime also paid with the wage. Factory does not employ any foreign nationals/prisoners. Company employs workers coming from different districts of the country.

Closing Meeting: At the end of the audit process, on 25th January, 2022 a closing meeting was held to discuss various issues observed during the audit.

Closing meeting: 25th January, 2022

Auditors:

Mr. Md. Muftadeul Islam - Lead Auditor
Mr. Bodrudduja Chowdhury - Auditor

Factory Representatives:

Md. Kamrul Arefin - Deputy General Manager (HR, Admin & Compliance)
Mr. Siddhartho Lahiri - General Manager.
Md. Abu Hasan - Manager (HR & Admin)
Md. Raisul Hasan - Manager (Compliance)
Md. Dulal Mia - Senior Fire man.
Md. Golam Mollah Nael - AGM
Md. Asif Parvez - Compliance officer.
Mr. Uday Chakrabort Polash - Deputy Manager.
Mst Afroza Begum - Welfare Officer
Mst Farida Parvin - Welfare Officer
Ms. Lima khatun - Member of Worker Participation Committee.

As factory management was comfortable in English language, auditor did not use local language in the findings report. The top management was cooperative during the entire audit and expressed commitment to work on audit findings.

Special Notes:

As per legal document (Value Added Tax Registration Certificate) factory name is "Karupannaya Rangpur Ltd "
There are no agencies used by the auditee, which makes the agency labor contract not applicable.
The factory has no trade Union and no collective bargaining agreements as it is not mandatory.
This factory had collected "Building Occupancy Certificate" and "Building Stability Certificate" from the concern authority.

The client mentioned number of employees as 2848 in the initial questionnaire. During audit, the current employees was found as 2908. However, the current manpower does not change the audit man-days.

Site Details

Site : Karupannya Rangpur Ltd.
Site amfori ID : 050-000935-002

GICS Classification

Sector : Consumer Discretionary
Industry Group : Consumer Durables & Apparel

amfori Process Classifications

N.A.

NACE Classification

N.A.

Industry : Textiles, Apparel & Luxury Goods
Sub Industry : Textiles

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

| | |
|---|----------------------|
| Total workforce | 2848 Workers |
| Legal minimum wage in local currency | 3000 Monthly |
| Lowest wage paid for regular work at the site | 3000 Monthly |
| Calculated living wage in local currency | 17926 Monthly |
| Total sample | 40 Workers |

Other Metrics

| | |
|------------------------------------|---------------------|
| Male workers | 688 Workers |
| Female workers | 2160 Workers |
| Permanent workers - Male | 535 Workers |
| Permanent workers - Female | 2188 Workers |
| Temporary workers - Male | 0 Workers |
| Temporary workers - Female | 0 Workers |
| Seasonal workers - Male | 0 Workers |
| Seasonal workers - Female | 0 Workers |
| Management - Male | 165 Workers |
| Management - Female | 20 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 | 645 Workers |
| Workers with night shift - Female | 2175 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 | 700 Workers |
| Workers hired directly - Female | 2208 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 | 13 Workers |
| Sample - Male | 15 Workers |
| Sample - Female | 25 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. However, some issues have been identified and discussed in relevant sections. [As per amfori BSCI CoC]

PA 2: Workers Involvement and Protection

Through interview, it was noted that interviewed workers were not found well aware on the requirement of amfori BSCI code of conduct.

PA 5: Fair Remuneration

Although the factory is providing minimum wage which meet industry type. But there is still lack of proper procedure by the management for annual review of workers salary as per the worker's expectation based on their performance, skill and experiences. Note that there is no legal requirement to annual review the salary of workers yearly for this type of industry as per the minimum wage notice for this industry.

It was noted though management interview that the factory management did not take initiative to calculate living wages due to lack of understanding though they are ensuring minimum wage as per law. Noted that living wages of the region is BDT 17,926 (approx. as per GLWC) and minimum wages is BDT 3000 for Grade-3 workers.

PA 7: Occupational Health and Safety

Through plant tour, documents review as well as interview with the workers and management, it was noted that although 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.

Through plant tour, documents review as well as interview with the management and workers, it was noted that the factory has a risk assessment but all areas were not taken in to consideration like drinking water, boiler, dormitory area for staffs, ETP area, grocery shop etc. [As per Bangladesh Labour Rules, 2015, Schedule-4, Matters relating to safety committee (1) and amfori BSCI CoC]

Through documents review as well as interview with the management and workers, it was noted that though the factory involved the workers' representative in the risk assessment program but few workers were found less knowledgeable about their associated risks.

Through documents review as well as interview with the management and workers, it was noted that though the factory has a practice to arrange fire drill through "Bangladesh Fire Service & Civil Defence" but the factory 143 trained fire fighters instead of 656.

Through plant tour, it was noted that though the factory has provided PPE in all sections but: a) Several workers were not using ear plug in punja section, twisting section and weaving section. b) Few workers in dyeing section were not using aprons, safety goggles, gumboots etc.

Through document review as well as management interview, it was noted that the factory has recorded injury but no proper procedure in place for investigation to identify the root cause of the injuries.

Through documents review as well as interview with the management, it was noted that the factory is using two generators (capacity 760 kw) but it was found expired on 17th December, 2019. However, they have applied for the renewal on 6th September, 2021.

Through documents review as well as interview, it was noted that the factory has certified electrician who monitor the overall electrical safety of the factory but did not appoint any 1st class boiler operator as 1 out of 2 boiler's heating surface area is more than 1000 sq ft.

Through plant tour, it was noted that a) the machine safety guard was found displaced in some overlock machines and b) pulley covers were not properly ensured in several machines.

During plant tour it was found that emergency light or light with alternative power backup was not found in the passage area around the buildings.

PA 10: No Precarious Employment

Through documents review as well as interview with the management and workers, it was noted that though the factory has provided ID card in local language but some information like emergency contact number, blood group etc. was not properly mentioned in the ID cards.

PA 12: Protection of the Environment

The factory does not have a capable, responsible person or team to monitor overall environmental management system or performance of the factory as per the condition of its Environmental Clearance Certificate. [As per Environmental Clearance Certificate of the factory, Condition 13]

Through documents review as well as interview, it was noted that the factory has "Environmental Clearance Certificate" which was issued by "Department of Environment" but it was found expired on 1st October, 2020. However, the factory has already applied for the renewal on 2nd September, 2021.

PA 13: Ethical Business Behaviour

Through documents review as well as interview with the management and workers, it was noted that though the factory has developed a policy and procedure on anti-corruption and bribery. Though the factory identified the potential areas of corruption, possible solution of mitigate anti-corruption issue but did not provide adequate training to relevant employees. Besides, there was no reward system to maintain ethical behavior.