

Monitoring result for Organic Jeans Ltd on site Organic Jeans Limited

Monitoring

Monitored Party : **Organic Jeans Ltd**
amfori ID : **050-000224-000**
Site : **Organic Jeans Limited**
Site amfori ID : **050-000224-002**
Address : **Plot No A/1&2, Block-B, BSCIC industrial Area, Sagorika Road, Pahartali,**
: **Chittagong**
: **Chattogram**
: **Bangladesh**
Monitoring Activity : **amfori Social Audit - Manufacturing**
Monitoring Type : **Full Monitoring**
Monitoring Partner : **Bureau Veritas Hong Kong Limited**
Monitoring Start Date : **20/12/2022**
Closing Meeting : **22/12/2022**
Finished Date
Submission Date : **27/12/2022**
Expiration Date : **27/12/2024**

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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	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	B
PA 13: Ethical Business Behaviour	A

General description

This was the semi-announced audit amfori BSCI full Audit conducted in 3 days (2 auditors 2days and 1 auditor in 1day) at Organic Jeans Limited was established on 2008 in 3825/Chattogram, Plot-A/1-2, Block-B, BSCIC 1/A, Sagarika Road, Pahartali, Chittagong, dated on 31st July,2008 which is valid till June 2023. The facility specialized in the manufacturing of all kinds of Woven top & bottom. The total factory area of the factory was 1,10,742 square feet, and the production area was 85,000 square feet. The facility specialized in the manufacturing of all kinds of woven items. The main production processes included cutting, sewing, finishing & packing. The production pressure of the facility is round the year same.

In view of facilities, the factory is made up of 2 buildings & 2 sheds. Floor and section wise factory lay out is as follows:

Building#1

Ground Floor: Accessories store, fabric store, fabric inspection room, finished goods store, Office, doctor's room, left over store.

Mezzanine Floor: Finishing section, packing section, CAD room, sample room, Conference room and office.

1st Floor: Sewing section, maintenance room, Production office and HR office.

2nd Floor: Sewing section, maintenance room, Production office and HR office, training center.

3rd Floor: Cutting section, fusing section, dining room, canteen area, staff dining room, idle machine room and training room.

Building#2:

Ground floor: Security room, childcare room, wastage room, generator room, compressor room.

1st Floor: Wash garments receiving area.

Shed#1: Ground floor: Generator room.

Shed#2: Ground floor: Boiler room.

The factory did not provide a dormitory facility for its workers.

The factory is using a automated timekeeping system for all workers. There were 2133 employees (813 males & 1320 females) working in the factory and the youngest worker was above 18 years in the factory as per the sample population of employees, which is complying with the local law. The factory had recruited all the workers directly. Neither migrant workers nor agency workers work in the facility as production workers.

Per payroll review and interviews with management & employees, all the workers are paid by monthly wage system by mobile banking. Wages were paid & issued once a month within the first 7 working days of the following pay period. The last payment date was on 7th December 2022 for the month of November 2022. The factory had provided the lowest minimum wage as BD. Tk-8000/- to the workers that met the local law. The main Export markets of the facility are in USA- 10% and Europe 90%. The facility conducted a fire drill at once in every three month. The last fire drill was conducted on November 7, 2022.

The regular working hours are from 8:00 am to 5:00 pm with a 1-hour lunch break from 1:00 pm to 2:00 pm for all workers except the security department. The security department runs in 3 shifts from 6:00 am to 2:00 pm, 2:00 pm to 10:00 pm and 10:00 pm to 6:00 am. The weekend of the factory was Friday.

Per payroll and time records review, auditors reviewed sample records of 40 employees from November 2022 as a current month (Attendance & Payroll), July 2022 as (attendance & Payroll) random pay period-1, and from February 2022 (Attendance & Payroll) as random pay period-2. Maximum work performed 60 hours per week & consecutive work performed 6 days a week. All were permanent workers in the factory. Workers did not perform any weekend work & excess work and maximum working hours were found (daily 8 hours' general working hour + 2 hours overtime).

40 selected employees (8 males and 32 females) from different sections were conducted individually and in group interviews. According to the interviews, employees were satisfied with the working conditions a positive way towards regarding timely payment, non-discrimination, and non-forced labor in the factory.

At the end of the audit, a closing meeting was held with factory representatives; all of the current findings along with corresponding corrective action plans were disclosed and communicated to facility management and Mr. Md. Sharif Hossain _ DGM HR, Admin & Compliance signed the onsite CAP and agreed to take corrective actions.

Audit Company: Bureau Veritas Consumer Products Service
Audit Company APSCA Number: 11600002

Lead Auditor Name: Shampa Saha
APSCA Auditor Registered Number: RA 21700599

Auditor Name: Md. Shamim Hossain
APSCA Auditor Registered Number: RA 21700862

Note: The facility did not use a contractor so, no license or permit is required. No agency or labor contractor was used by the factory. Factory recruited all workers directly. No Government waiver is applicable for this auditee, No Collective bargaining agent in the facility.

Remarks:

1. The factory management was convenient in English. So, they requested the auditors to provide the Corrective Action Plan in English.
2. The facility has conducted a survey on the Living wage of employees of the facility and the monthly fair remuneration scan in the area is BDT. 10148. The facility did not estimate the living wage correctly to determine a potential gap between the present local minimum wage and living wage to meet a decent living standard and no actions were taken to fill the gaps to meet a decent living standard. However, the workers are receiving the minimum wage of the land.

Site Details

Site : Organic Jeans Limited

Site amfori ID : 050-000224-002

GICS Classification

Sector : Consumer Discretionary

Industry Group : Consumer Durables & Apparel

Industry : Textiles, Apparel & Luxury Goods

Sub Industry : Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	2048 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	13630 Monthly
Total sample	40 Workers

Other Metrics

Male workers	780 Workers
Female workers	1268 Workers
Permanent workers - Male	640 Workers
Permanent workers - Female	1493 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	254 Workers
Management - Female	27 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	147 Workers
Workers on probation - Female	411 Workers
Workers with night shift - Male	5 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	6 Workers
Workers with disabilities - Female	5 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	640 Workers
Workers hired directly - Female	1493 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	7 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	3 Workers
Sample - Male	8 Workers
Sample - Female	32 Workers

Findings

PA1: Social Management System

1.1 It was noted that the factory is trying to adopt the importance of why its own good social performance is important for amfori BSCI participants and importance and benefits of having an effective management system. However, still they have some gap like management did not show full commitment towards integrating the amfori BSCI Code into the auditee business or organizational culture. This violates amfori BSCI Performance Area 1.1

Management understand English and they were comfortable with English.

1.3. It was noted that the auditee had a policy and procedure to select current supplier however no procedure found to select their non significant suppliers & business partners. Moreover, the auditee did not have any procedure to keep records of any complaints received about its business partners. This violates amfori BSCI Performance Area 1.3

Management understand English and they were comfortable with English.

PA 2: Workers Involvement and Protection

2.2 It was noted that vision, mission, and long-term goals had not reflect a step-by-step approach toward sustainable improvements, workers and workers representatives genuinely was not involved in defining these goals. This violates amfori BSCI Performance Area 2.2

Management understand English and they were comfortable with English.

2.4 It was noted that the facility management had provided training on the content of the amfori BSCI Code to some of the workers. However, during verification, 20 of 40 workers from different sections were found not aware of the amfori BSCI Code. This violates amfori BSCI Performance Area 2.4

Management understand English and they were comfortable with English.

PA 4: No Discrimination

4.2 It was noted that though facility is conducting a survey regarding their grievance mechanism system but they did not identify the possible area of discrimination which may be infringements workers rights. However, no discrimination was observed during the audit procedure. This violates with amfori BSCI Performance Area 4.2

Management understand English and they were comfortable with English.

PA 7: Occupational Health and Safety

7.1 It was noted that there are some improvements area observed on Health and Safety System which is applicable in occupational health and safety regulations in factory activities. Thus, relevant issues were noted in related question findings areas. This violates amfori BSCI Performance Area 7.1;

Management understand English and they were comfortable with English.

7.5 It was noted that facility management had provided training awareness regarding OHS. But did not include how workers need to react in case of injury to themselves and/or fellow workers and workers have the information on the hazards and risks associated with their work and are supervised when necessary. This violates amfori BSCI Performance Area 7. 5,

Management understand English and they were comfortable with English.

7.6 It was noted that 20 of 222 over-lock operators in sewing section were not using face mask in 3rd and 4th floor at building#1. This violets amfori question 7.6; This violets Bangladesh Labor Law 2006, Chapter- 5, Section – 79,

Management understand English and they were comfortable with English.

7.11 It was noted that no generator (3 of 3 Diesel generator of 992 KVA) waiver license was found expired on 1st November,2022.However the facility had applied for the same on 14th December,2022. This violates with amfori BSCI Performance Area 7.11; This violates Bangladesh Energy Regulatory Commission Act, 2003 chapter-6, section 27 (1), This violates the Bangladesh Energy Regulatory Commission Act, 2003 chapter-6, section 30,

Management understand English and they were comfortable with English.

7.17 It was noted that needle guard was not installed at 30 of 640 plain sewing machines in the sewing section at 3rd and 4th floor of building#1. Eye guard not installed at 20 of 39 bar-tack machines in the sewing section at 3rd and 4th floor of building#1. Finger guard was not functional at 10 of 48 snap button machines in the finishing section at 1st floor of building#1. Moreover, 50 of 640 needle guards at plain sewing machines were displaced condition at 3rd and 4th floor of building#1. Furthermore, 40 of 222 eye guards at over-lock found displaced condition in 3rd and 4th floor at building#1. This violets amfori question 7.17; This violets Bangladesh Labour law 2006, Section-63,

Management understand English and they were comfortable with English.

7.19 It was noted that the auditee does not ensures emergencies procedures deal with trauma or serious illness are consistent with the values and principles of amfori BSCI Code of Conduct. This violets amfori question 7.19

Management understand English and they were comfortable with English.

PA 12: Protection of the Environment

12.2 It was noted that the factory did not have any grievance mechanism in place to address the environmental concerns of surrounding communities. This violates amfori BSCI Performance Area 12.2

Management understand English and they were comfortable with English.

12.5 It was noted that the facility does not have a system to preserve natural water resources (water recycling practices, preserving rainwater, etc.) to reduce the other source of water usage. Moreover, the auditee did not have proper identification of water springs, rivers, lakes, and other water ecosystems in the area of the facility. Also, no documented risk assessments that justify management decisions on water use. This violates amfori BSCI Performance Area 12.5.

Management understand English and they were comfortable with English.

PA 13: Ethical Business Behaviour

13.1 It was noted that the facility had an anti-bribery policy and procedures but the provision of rewards for ethical behavior and integrity among the workers and managers was not included in the policy. Moreover training was not provided to the workers on corruption bad effects. This violates amfori BSCI Performance Area 13.1

Management understand English and they were comfortable with English.