

Monitoring result for Ariyan Socks Industries Ltd. on site Ariyan Socks Industries Ltd.

Monitoring

Monitored Party : **Ariyan Socks Industries Ltd.**
amfori ID : **050-002140-000**
Site : **Ariyan Socks Industries Ltd.**
Site amfori ID : **050-002140-001**
Address : **Sreepur**
: **1740, Gazipur**
: **Dhaka**
: **Bangladesh**
Monitoring Activity : **amfori Social Audit - Manufacturing**
Monitoring Type : **Full Monitoring**
Monitoring Partner : **TÜV SÜD**
Monitoring Start Date : **31/10/2022**
Closing Meeting : **11/11/2022**
Finished Date : **11/11/2022**
Submission Date : **11/11/2022**
Expiration Date : **11/11/2023**

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Overall rating



Section rating

PA1: Social Management System	C
PA 2: Workers Involvement and Protection	C
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	C
PA 5: Fair Remuneration	B
PA 6: Decent Working Hours	A
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

As per a request from the amfori BSCI member, TÜV SÜD Bangladesh (Pvt.) Ltd. conducted a full audit at Ariyan Socks Industries Ltd. which is a 100 % export-oriented apparels manufacturing limited company located at Tengra, Sreepur, Gazipur -1740, Bangladesh. The facility has started its operation at existing location in 2017. The total factory area of the facility is 40,594 square feet and Production area is about 15,175 square feet. The production capacity of the company is 10,00,000 pairs month. The main product manufactured by the factory is socks items. The manufacturing process is as follows: Knitting > Linking > Quality > Finishing > Packing.

Factory has total 02 buildings and 02 sheds in the premises. Current layout of the building is given as follows:

Office Building: (2 storied)

Ground Floor: Boded warehouse

1st floor: Worker Dinning, QC (Quality Check) section & Office.

Rooftop: Childcare Room, Staff Dining Room, Conference Room and 40% open space

Factory Building: (2 storied)

Ground Floor: Knitting section, linking section, Iron section, finishing section, Packing section, Generator & boiler room

1st floor: Knitting section, linking section, Iron section, finishing section & Packing section.

Roof top: Full vacant.

Shed 01: Compressor Room.

Shed 02: Sub-Store

The regular working hours are from 08:00 am to 05:00 pm with one hour lunch break from 01:00 pm to 02:00 pm. Knitting and Iron sections works in 02 shifts start from 08:00 am to 05:00 pm and 08:00 pm to 05:00 am. With 60 minutes rest break by rotation and only Security section works in 03 shifts start from 06:00 am to 02:00 pm, 02:00 pm to 10:00 pm and 10:00 pm to 06:00 am with 60 minutes rest break by rotation. Normal working days are from Thursday to Tuesday. The factory remains closed on Wednesday from August 17, 2022, earlier weekend was of Friday. The facility has got approval for general working hours from the labor office and yearly holidays are posted on the notice board by the management complying with law requirements. An electronic time-keeping system is used for maintaining in and out times. Employees receive wages monthly through cash. The facility has no peak and off-peak season in terms of intensity of production rather production volume is round the year same.

Audit Process: 03 auditors named Madhusudan Sarkar (Lead auditor, APSCA Number: RA 21703435), Jutan Chandra Debnath (Member auditor, APSCA Number: RA 21701233) and Flora Akter (Member auditor, APSCA Number: RA 21703524) on October 31, 2022, assessed/verified the factory's operations against the amfori BSCI code of conduct (BSCI Version 2.0) and local legislations on a sampling basis during an audit.

On audit day auditors entered the facility, and the short opening meeting was conducted with the management to introduce the audit team and describe the audit process. On behalf of factory management Mr. Kazi Mazharul Hoque (Mazhar) - Manager-Admin & Compliance, Mr. Md. Robiul Awal – Assistant Manager – Merchandising, Ms. Afroza - Medical Assistant were present at the short opening meeting. Right after the short opening meeting, the audit team went out for a site/plant visit with permission for photography and workers' interview from the management. The management team was permitted to carry out the whole process as per the amfori BSCI requirements. The auditors also took interviews with workers. In total, auditors selected 16 employees randomly for interviews.

After returning from the plant tour, the audit team did a detailed opening meeting to describe detailed information about amfori BSCI, holistic approach, shaming to learning, etc. On behalf of factory management, the same persons mentioned in the short opening meeting and Ms. Ruma Akter- Vice President of Participation Committee and Ms. Umme Hafsa - Vice President of safety Committee were present in this detailed opening meeting.

16 attendance/time records and salary sheets of the selected employees from the month period of September 2022 (Most recent month), June,2022 (Random month), and January 2022 (Random month). After that, auditors started to carry out the audit process as per the audit plan.

Auditors conducted the closing meeting, after completion of the entire audit process (site tour, interview with the workers and management interview, document review). The same persons mentioned in the opening meeting were attended the closing meeting with the worker's representative. Finally, Mr. Kazi Mazharul Hoque - Manager- Admin & Compliance and Ruma Akter- Vice President of Participation Committee had signed the Findings Report after the end of the closing meeting.

The attitude of factory management: The factory management was receptive, positive, and extended their full cooperation throughout the audit. They showed a positive attitude towards the compliance requirements. Factory management was very much positive to provide the document which was needed to verify during the full audit. Further, they have agreed with the non-compliance issues identified during the full audit. The factory management has certain that they would correct those issues in the corrective action plan.

Note: the below documents are not applicable for this facility.

- Contractor license/permit.
- Government waivers.

- Collective bargaining agreements
- Environmental Clearance certificate.

Site Details

Site : Ariyan Socks Industries Ltd.

Site amfori ID : 050-002140-001

GICS Classification

Sector : Industrials

Industry : Industrial Conglomerates

Industry Group : Capital Goods

Sub Industry : Industrial Conglomerates

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	114 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	19255 Monthly
Total sample	16 Workers

Other Metrics

Male workers	50 Workers
Female workers	64 Workers
Permanent workers - Male	34 Workers
Permanent workers - Female	62 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	1 Workers
Management - Female	0 Workers
Apprentices - Male	0 Workers
Workers on probation - Male	15 Workers
Workers on probation - Female	10 Workers
Workers with night shift - Male	25 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	49 Workers
Workers hired directly - Female	72 Workers
Workers hired indirectly - Male	6 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	0 Workers
Sample - Male	5 Workers
Sample - Female	11 Workers

Findings

PA1: Social Management System

It was noted that factory management has developed most of the areas but still some areas of improvement are identified under different Performance Areas, which is the evidence of gaps in the overall management system against amfori BSCI COC requirements.

It was noted that facility management does not have good overview of the significant business partners and their level of alignment. Factory management have prepared a list of their business partners and amfori BSCI COC and TOI have shared with them. However, no implemented system of social performance monitoring found for 01 out of 05 business partners.

PA 2: Workers Involvement and Protection

Facility has a written vision, mission and long-term goals set by the top management, but no specific objective, target and program were set to meet those long-term goals. Moreover, workers representatives were not involved in defining those goals and no strategic plan to achieve those goals were documented.

It was noted through interview that 07 out of 16 sampled workers of the facility were found not well aware about the requirements of amfori BSCI Code of Conduct.

It was noted that facility has policy and procedures on grievance mechanism for the workers and also installed grievance box in the worker's toilet. However, the grievance mechanism was not fully functional as randomly grievance box (01 out of 02) was found unlocked condition.

PA 4: No Discrimination

It was noted that facility management did not conduct any internal assessment on the most common ground or common areas inside the factory where discrimination may arise.

It was noted that 09 out of 16 sampled workers of the facility was found less aware about the disciplinary procedures of the facility.

PA 5: Fair Remuneration

It was noted that systematic delay payment was noted in the facility. Usually, facility provides the wages of workers on 10th to 16th of the following month instead of within 7th working days. [Ref: Bangladesh Labor Act 2006, Section 123 (1)]

It was noted that facility management has awareness on living wage and calculated the same as per current economic context, but they are not ensuring the living wage. Note that living wages of the region is BDT 19,255 as per Global Living Wage Coalition (GLWC) but it has not been ensured for the workers.

It was noted that facility doesn't have any provision of maternity benefit for the eligible female workers. [Ref: Bangladesh Labor Act 2006, Section 47]

PA 7: Occupational Health and Safety

It was noted that, some areas of improvement were identified under this Performance Area which is the evidence of gaps identified in the overall observance of occupational health and safety system against amfori BSCI COC requirements and local law regulations.

It was noted that, facility management did not carry out risk assessment at few areas such as main gate, rooftop, staircases, wastage area etc. for safe, healthy, and hygienic working conditions about the workplace issues

It was noted that, interviewed firefighters (02 out of 04) found with inadequate knowledge on firefighting and fire equipment use. [Ref: Bangladesh Labor Rules 2015, rule 55(10)]

It was noted that a) around 10% workers of knitting section and linking section were not using ear plug, where huge noise was observed. b) the facility did not provide rubber mat to the around 50% workers who works in long-standing mode in the finishing section. [Ref: Bangladesh Labor Rules 2015, rule 67(2)]

It was noted that no procedure & system were found at the facility to report the near miss injuries that enable the workers to report immediately to their superior.

It was noted during site tour that a) management has installed manual smoke detector in all the areas of the facility but randomly checked 03 out of 06 smoke detectors were found inactive condition. [Ref: Bangladesh Labor Act 2006, Section 62 and Bangladesh Labor Rules 2015, Rule 55]. b) Facility has fire hose connection in all over the area, but water pressure was found low in randomly checked 03 out of 03 fire hose pipes. [Ref: Bangladesh Labor Rules 2015, Rule 55 (1d)] However, facility

PA 7: Occupational Health and Safety

has installed fire extinguisher, manual fire alarm system, Public Announcement (PA) system and other portable firefighting equipment in place which were found active condition.

It was noted that facility management has done emergency procedure of trauma and serious illness, but responsible persons found inadequate knowledge about trauma and serious illness.

It was noted that, no canteen facility found inside of factory premises from where workers can buy dry food in cheap cost. [Ref: Bangladesh Labor Act 2006, section 92 (1)].

PA 10: No Precarious Employment

It was noted that facility doesn't have any provision of maternity benefit for the eligible female workers which is the indication of precarious relationship between workers and management.

PA 11: No Bonded Labour

It was noted that 09 out of 16 sampled workers of the facility was found less aware about the disciplinary procedures of the facility.

PA 12: Protection of the Environment

It was noted that facility has designated waste storage area but few wastages like empty chemical drum, scrap, etc. were found stored in open places without segregated manner. [Ref: Bangladesh Labor Act 2006, section 54]

It was noted that a) the facility did not obtain permission from the respective authority for extracting the ground water to use in the premises. [Ref: Bangladesh Water Act 2013, section- 24 (1)]. b) the facility did not have any procedure 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.

PA 13: Ethical Business Behaviour

It was noted that the facility did not identify the potential areas of corruption and possible solution to mitigate anti-corruption issue.