

Monitored Party Saiham Knit Composite Ltd.	amfori ID 050-001995-000	Address Saihamnagar, Noyapara, Madhabpur, 3333 Habiganj, Sylhet, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TÜV SÜD
Monitoring Start Date 10/09/2024	Closing Meeting Finished Date 19/09/2024	Submission Date 23/09/2024
Expiration Date 23/09/2026	Announcement Type Semi Announced	
Site Saiham Knit Composite Ltd.	Site amfori ID 050-001995-001	

This is an extract of the online Monitoring Result, generated on 23/09/2024, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available on the [amfori Sustainability Platform](#) - The English version is the legally binding one.








amfori does not assume any liability with regard to the compliance of this extract, or any versions of this extract, with the Regulation (EU) 2016/679 (General Data Protection Regulation).

All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted, in any form or by any means electronic, mechanical, photocopying, recording or otherwise, be lent, re-sold, hired out or otherwise circulated without the amfori consent. © amfori, 2021

OVERALL RATING



SECTION RATING

PA1: Social Management System	B	
PA 2: Workers Involvement and Protection	C	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	C	
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, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	B	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Tania Sultana (CSCA 21702536).

Name of team auditor: Jutan Chandra Debnath (CSCA 21701233), Fuara Sultana (CSCA 21703441), Md. Tazul Islam (CSCA 21704592), Farhana Afrin Sonia (ASCA 21704496), Faisal Hossain (CSCA 21705139) and Shibshankar Dey (ASCA 21700609).

Name of observers, translators, trainees, advisors/consultants (if applicable): Moushumi Akter Urmi, she participated in the audit as an internal observer.

Monitoring partner name: TÜV SÜD Bangladesh Pvt. Ltd.

Audit schedule details: This full audit is planned in one day. 07 auditors on 10 September 2024, have verified the facility's operations as per amfori BSCI Code of Conduct and local legislation. Note, in this audit 07 auditors spent 6.5 man-days on-site, and 0.5 man-day assigned for offsite report purpose.

Announcement Type: The audit was semi announced by type of announcement.

Business partner information: Saiham Knit Composite Ltd. is a 100% export-oriented knit and woven items manufacturer located at Saihamnagar, Noyapara, Madhabpur, Habiganj- 3333, Bangladesh. The facility has started its operation since 2009 at current location. The total structural area of the facility is about 100,5620 square feet. Production processes are Knitting, Dyeing, All Over Print, Cutting, Embroidery, Printing, Sewing, Finishing. The production capacity of the facility is 3500,000 pieces per month. As per the management statement, the facility has no peak/off peak season in terms of production.

On 10 September 2024, auditors entered the facility, and a short opening meeting was conducted with the management to introduce the audit team and describe the audit process, etc. On behalf of factory management Md. Solaiman – Manager (HR and Compliance), Mr. Mozammel – General manager – (HR and Compliance), Mr. Mahfuz – CAO was attended 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.

Audited location information: There is no other factory under the same premise. The audited facility is the owner of the building and sheds. No dormitory facility is available as this is not required by law. The details building descriptions are as below.

Building 01: Ground floor: Cutting, office.

1st floor: Sewing, finishing, office.

2nd floor: Cutting, sewing, finishing, office.

3rd & 4th floor: Sewing, office.

Roof: Knit PDC, solar panel & 20% open.

Building 02 & 03: Warehouse.

Building 04: Ground floor: Maintenance, idle machine, left over room.

1st floor: Left over warehouse.

Building 05: Ground floor: Generator, sub-station.

1st floor: EGB boiler.

Building 06: Ground to 3rd floor: Chemical store.

Building 07: Ground Floor: Compressor, lab, sludge press, dosing tank.

1st Floor: WTP.

Building 08: Ground Floor: Dry room, locker, prayer room

1st Floor: Knit PDC, H&M archive room.

Building 09: Ground Floor: Compressor.
1st Floor: Office.

Building 10: STP.
Building 11: Security post.
Building 12: Ground floor: All Over Print.
Mezzanine: Office.

Building 13: Ground floor: Store.
1st & 2nd floor: Knitting.

Building 14: Ground floor: Printing,
1st floor: Cutting.

Building 15: Ground floor: Dyeing.
1st floor: Sewing, finishing.
2nd & 3rd: Under construction.

Building 16: Hydrogen peroxide store.
Building 17: Generator.
Building 18: RMS room.
Note, building 02 to 18 roof tops open.

Shed 01: Office, display and server room, staff dining, lab.
Shed 02: Sewing.
Shed 03: Ground floor: Office, sewing, finishing, dyeing, dyeing finishing, store.
Mezzanine floor: Office.
Shed 04: Washing, color kitchen, dyeing sample.
Shed 05: Dining, canteen.
Shed 06: Dining, canteen, wastage store.
Shed 07: Training center.
Shed 08: Sponging machine room.
Shed 09: Ground to Mezzanine: Wastage go-down.
Shed 10: Sewing, finishing.
Shed 11: Fire pump.
Shed 12: Compressor.
Shed 13: WTP.
Shed 14: Boiler.
Shed 15: Medical, childcare, IT room, work-shop area.
Shed 16: Ground to 1st floor: Knitting.
Shed 17: Embroidery, printing, office.
Shed 18: Parking.
Shed 19: Warehouse.

After returning from the plant tour, the audit team did a detailed opening meeting to describe about amfori BSCI. On behalf of factory management, the same persons mentioned in the short opening meeting and Mr. Ashikur – Vice President of Participation Committee was present in this detailed opening meeting.

Total of 56 employees were randomly selected for interviews. Payroll records were reviewed from September 2023 to August 2024, and among them payroll records and timecards for the month of August 2024 (recent month), March 2024 (random month) and November 2023 (random month) were reviewed in detail.

Operating shifts and hours:

- There is 01 general shift from 08:00 am to 05:00 pm, including 01-hour interval for rest or meal break provided from

01:00 pm to 02:00 pm. Friday is weekly holiday.

- The facility has 02 shift (08:00 am to 05:00 pm and 08:00 pm to 05:00 am) for All Over Print, embroidery, printing, supporting department including 01-hour interval for rest or meal break in each shift. Friday is weekly holiday.
- The facility has 03 shifts (06:00 am to 02:00 pm, 02:00 pm to 10:00 pm, and 10:00 pm to 06:00 am) for Knitting, Dyeing & Security Section, including 01-hour Interval for rest or meal in each shift. Weekly holiday provided as rotation basis.

Time recording system: An electric timekeeping system (card punch) is used for maintaining in and out times of the employees.

Salary payment details: Wage is paid in monthly basis and calendar month is followed as wage period for the employees. Wages are paid by the facility within 07 working days after completing one pay period of the following months. The wages were paid by the facility through direct bank.

Worker number information:

- Total employees 7392 (Male 4287 and Female 3105).
- Total Production workers are 6655 (Male 3596 and Female 3059)
- Total management and non-production employees are 737 (Male 691 and Female 46 including 119 males from Management).
- Total employees in the probation period are 817 (Male 490 and Female 327).
- Total pregnant employees are 35.
- Total disabled workers are 03 (male 03 and female 0).

All workers are hired directly. No indirectly hired, seasonal, temporary, home-based worker, apprentice, young worker, and migrant workers were found working in the facility.

Good practices: No such good practices were observed in the facility.

Worker organization details: A worker's participation committee is available in the facility which formed by election process on 23 January 2023. There are 24 members in the committee among them 16 are workers members and 08 are management members.

Circumstances: There was no special circumstance during the audit.

Summary of findings: Improvement areas were identified in the following performance areas; PA 1, PA 2, PA 4, PA 5, PA 7, and PA 12.

Auditors conducted the closing meeting on same date, after completion of the entire audit process. The same persons mentioned in the opening meeting attended the closing meeting with the worker's representative. Finally, Mr. Mozammel – General Manager (HR and Compliance) and Mr. Ashikur – Vice President of Participation Committee signed the Findings Report after the end of the closing meeting.

The attitude of management and workers: The factory management was positive and extended their full cooperation throughout the audit. Further, they have agreed with the area of improvement identified during the audit. Interviewed workers found content with the factory. Their relationship with management appeared to be cordial.

#Living wage calculation: The auditor used the living wage calculated by GLWC as per the facility location.

Note: Below documents have not been uploaded as these were not applicable for this facility:

- Contractor license/permit.
- Agency labor contract.
- Government waivers.
- Collective bargaining agreements.

SITE DETAILS

Site

Saiham Knit Composite Ltd.

Site amfori ID

050-001995-001

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	6,395	Workers
Legal minimum wage in local currency	10,001	Monthly
Lowest wage paid for regular work at the site	12,500	Monthly
Calculated living wage in local currency	21,091	Monthly
Total sample	56	Workers

Other Metrics

Male workers	3,709	Workers
Female workers	2,686	Workers
Non-binary workers	0	Workers
Permanent workers - Male	3,797	Workers
Permanent workers - Female	2,778	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	119	Workers
Management - Female	0	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	490	Workers
Workers on probation - Female	327	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	340	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	3	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	4,287	Workers
Workers hired directly - Female	3,105	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	35	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	45	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	36	Workers
Sample - Female	20	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

ENGLISH

Finding

It was noted through site visit, documents review and interview that some area of improvements is identified under different Performance Areas, which is the evidence of gaps identified in the overall management system against amfori BSCI COC requirements. [Ref: amfori BSCI Code of Conduct].

As facility management have a good understanding on amfori BSCI requirements and its significances, so the question marked partially.



PA 2: Workers Involvement and Protection

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH

Finding

It was noted through the document review and interview that, the auditee has developed long-term goals for the facility which were found not in line with amfori BSCI principles and values as long-term goals did not consider all amfori BSCI principles & values. Further, there is no step-by-step approaches reflecting in some of the long-term goals towards sustainable improvements. [Re: amfori BSCI Code of Conduct]

As the auditee has developed a long-term goal, so partial rating is given to this checkpoint.

Question: 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH

Finding

It was noted through documents review and interview that the facility regularly provide training on amfori BSCI requirement, but the training found not effective as 24 of the sample interviewed workers found less aware about the requirements of amfori BSCI. In addition, updated amfori BSCI COC poster was not posted on the floor. [Ref: amfori BSCI Code of Conduct].

As some of the interviewed workers found aware about the requirements of amfori BSCI, so partial rating

Finding

was given to this checkpoint.

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH

Finding

It was noted through Interview and document review that, a) facility has not defined how to deal with “potential conflict of interest” in their grievance policy. b) 16 out of sampled interview employees were found less aware about how to raise grievance and uses of complain box. [ref: amfori BSCI Code of Conduct]. As the facility has a policy, and facility has provided training to the employees. so partial rating was given to this checkpoint.

PA 4: No Discrimination, Violence or Harassment

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 4.1 CRUCIAL: Is there satisfactory evidence that the auditee takes the necessary measures to avoid or eradicate discrimination in the workplace?

ENGLISH

Finding

It was noted through documents review and interview that facility management has conducted internal assessment on some frequent grounds used for discrimination as well as the most common activities through which discrimination may arise, but few other common grounds / activities like daily work activities, paying social benefits, assignment of duties, overtime allocation, leave facility, training facility, access to water, resting breaks, use of facilities, to avoid discrimination against vulnerable groups like disabled workers, pregnant women were not considered during the assessment. [Ref: amfori BSCI Code of Conduct].

As facility developed anti-discrimination policy and interviewed employees informed that they are not discriminated in terms of sex, age, religion and region so partial rating is given in this checkpoint.

PA 5: Fair Remuneration

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

ENGLISH

Finding

It was noted through documents review and interview that the facility has initiated efforts to calculate living

Finding

wages as per current economic context. However, they are not ensuring the living wage. Note that living wages of the region is BDT 21,091 as per Global Living Wage Coalition (GLWC). [Ref: amfori BSCI Code of Conduct].

As facility management has understanding on living wage, so the question rated partially.

PA 7: Occupational Health and Safety

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH

Finding

It was noted through facility visit, documents review and interview that some findings 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. [Ref: amfori BSCI Code of Conduct].

As facility is partially fulfilling the different requirement of the against amfori BSCI COC requirements and local law regulations, so the question marked partially.

Question: 7.5 Is there satisfactory evidence that the auditee regularly provides OHS trainings to ensure workers understand the rules of work, personal protection and measures for preventing and reacting to injury to themselves and fellow workers?

ENGLISH

Finding

It was noted through facility visit, documents review and interview that the a) facility has insufficient number of trained firefighters from respective authority. Currently the facility has 1060 trained firefighters instead of 1331 required as per current manpower. [Ref: Bangladesh Labor Rules 2015, Rule 55(10)]. b)

Approximately 20% Members of firefighting team (Firefighter & Rescuer) were not properly identified as they were not wearing their designated dress during work time at building 01 [Ref: Bangladesh Labour Rules 2015, Rule 55(11)].

As facility has trained firefighters and emergency evacuation drills are conducting regularly, so the question marked partially.

Question: 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

ENGLISH

Finding

It was noted through facility visit, documents review and interview that, approximately 10% employees were not using ear plug in the embroidery section located at Shed 17. In addition, randomly checked 02 out

Finding

of 05 employees of dyeing section were not using their respective personal protective equipment (hand gloves, boot etc.) located at Shed 03. [Ref: Bangladesh Labor Rules 2015, Rule 67 (2)].

As the facility provided PPE and other workers were using their required PPE so partial rating was given to this checkpoint.

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH

Finding

It was noted through facility visit that uneven floor identified in the dyeing section (Shed 03) which may create potential hazards for the employees of the mentioned area. [Ref: amfori BSCI Code of Conduct].

As such type of floor surface was not found throughout the facility so partial rating was given to this checkpoint.

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH

Finding

It was noted through site visit, documents review and interview that a) Captive Power Plant (CPP) license of the facility found expired on 06 August 2024. Currently, the facility using 06 generators with 5.795 MW power generation capacity. However, the facility found applied for the license to the respective authority on 31 July 2024 but has not received the license yet. [Ref: Bangladesh Energy Regulatory Commission Act 2003, section 27(1)]. b) Needle guard of approximate 10% sewing machine found missing and eye safety guard of approximate 15% sewing machine found in displaced condition at sewing section. [Ref: Bangladesh Labor Law 2006, Section 63(1) D].

As the facility has applied for the CPP license and ensure machine safety guard for other machines so partial rating was given to this checkpoint.

PA 12: Protection of the Environment

Site: Saiham Knit Composite Ltd. | Site amfori ID: 050-001995-001

Question: 12.4 Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?

ENGLISH

Finding

It was noted through Interview and site tour that, facility has a designated place for storage of waste.

However, some waste like poly, paper, waste fabrics and metallic objects was found in open areas beside of building no 10 and Infront of STP (Sewerage Treatment Plant). [Ref: Bangladesh Labour Rules 2015, Rule 40 (1) (2)]

Finding

As most of the chemical was found in well manner, so partial rating is given in this question.

Question: 12.5 Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?

ENGLISH

Finding

It was noted through documents review and interview that the facility did not have any procedure to prevent water loss and have a system to preserve natural water resources (recycling practices, preserving rainwater, etc.) to ensure a better environment in the premises. [Ref: amfori BSCI Code of Conduct]. As the facility has an environment protection policy, and provided awareness training to their workers, so partial rating is given in this checkpoint.