

Monitored Party IRIS Fabrics Limited	amfori ID 050-000816-000	Address Zirani Bazar, Kashimpur, Joydevpur, 1349 Gazipur, Dhaka, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TUV Rheinland
Monitoring Start Date 14/06/2023	Closing Meeting Finished Date 15/06/2023	Submission Date 27/06/2023
Expiration Date 27/06/2025	Announcement Type Semi Announced	
Site IRIS Fabrics Limited	Site amfori ID 050-000816-002	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
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	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

Name of lead auditor: Ikbal Hossain - RA 21701992

Name of team auditor: Mohammad Salif Zahed Chowdhury - ASCA 21701467

Name of team auditor: Farjana Nahar - ASCA 21701687

Monitoring partner name: TÜV Rheinland Bangladesh Pvt. Ltd.

Audit schedule details: The audit team has conducted the audit in 02 days on June 14 & 15, 2023. Total 5.5 man-days are used for this audit, 5 man-days were allocated for onsite audit and 0.5 man-day were allocated offsite for reporting. 02 auditors on 1st day & 03 auditors on 2nd day were present of the audit and have completed the audit as per audit plan.

Announcement Type: A semi-announced, full audit has been conducted at 'IRIS Fabrics Limited'

Business partner information: 'IRIS Fabrics Limited' is a Private Limited Company which was founded & incorporated with the RJSC on 11 October 2005. The factory begun its operation on March 2007 at Zirani Bazar, Kashimpur, Joydevpur, 1349 Gazipur, Bangladesh. The main production processes are Knitting, Dyeing, Cutting, Printing, Embroidery, Sewing & Finishing (Iron to Pack) and the product type are knit (top and bottom). Total production area of the facility is 280000 sq. ft., storage area of 80000 sq. ft and other area about 36000 sq. ft. Total land area is about 248292 sq. ft. There are another sister concern factory named "IRIS Knitwear Limited" under same owner and same management is located at the same premises of the factory. All factory commonly use cutting section, medical, child care room, office, wastage & utility service

Audited location information: The auditee is the owner of the factory premises. Facility premises comprises 12 building and 03 shed in the premises. Some areas of factory premises commonly share with sister concern factory IRIS Knitwear Limited. (Same owner and management). Due to wording limitation in general description details of building description provided as attachment.

Building -01 (9 storied production building combine used by IRIS Knitwear Limited and IRIS Fabrics Limited)

Building -02 (02 storied admin building by combined used both factory)

Building -03 (02 storied storage & office building by combined used both factory)

Building -04 (06 storied production building used by IRIS Fabrics Limited)

Building -05 (01 storied utility building combined used by both factory)

Building -06 (01 storied utility building combined used by both factory)

Building -07 (ETP building used by IRIS Fabrics Limited)

Building -08 (01 storied utility building combined used by both factory)

Building -09 (01 storied fire control room combined used by both factory)

Building -10 (01 storied maintenance room used by IRIS Fabrics Limited)

Building -11 (01 storied security office combined used by both factory)

Building -12 (01 storied building used by IRIS Knitwear Limited)

Shed -01 (Dyeing Shade used by IRIS Fabrics Limited)

Shed -02 (Used by IRIS Fabrics Limited)

Shed -03 (Combined used by both factory)

Operating shifts and hours: General shift starts from 8:00 AM to 5:00 PM, while knitting, dyeing & security guards has 03 shifts of work which are 6:00 am to 2:30 pm, 2:00 pm to 10:30 pm and 10:00 pm to 6:30 am. 01 hour personal break is ensured to all employees. Friday is a weekly off day for general shift & shifted sections enjoyed by rotation.

Time recording system: All employees working time are recorded through electronic time keeping system (face detection).

Salary payment details: Facility considers calendar month as pay period and monthly salary is disbursed through mobile bank system (bkash) for 66% worker & Bank transfer for 34% worker. Last payment made on 07 June, 2023 for the month of May 2023.

Worker number information: At present, there are 2955 employees inclusive of process workers, senior & mid-level management, factory administrative staffs & security guards. They have 2387 (male 1093 & female 1294) production

based workers, 39 (male 28 & female 11) disable workers and 20 pregnant worker.

Good practices: Factory has lot's CSR & environmental activities which are listed in below

1. Based on the service length factory provides eid bonus to those employees who are not completed 01 year.
2. Facility provides iron & folic acid tablet to all women workers
3. Facility implenting "Women Line" project to increase women empowerment
4. Facility recruite 39 disable worker to different process of the factory.
5. Facility donates money to local mosque & madrasha in varoius occation.
6. Facility installed solar panel, inverter in various machines, EGB boiler and energy efficient light & fan to save energy.
7. Facility has 100% rooftop area (Catchment) rain water harvesting system
8. Facility reuse 5% waste treatment water.

Worker organization details: Facility has an elected participation committee. It was formed on March 3, 2023. There is total 17 members in participation committee where 05 from management side and 12 from workers side. Last meeting date May 6, 2023. Worker's representatives have full access to members at workplace.

Circumstances: There was no special circumstance during the audit.

Remarks: Below documents & photos are not applicable for this factory:

1. Collective bargaining agreements (There is no trade union. Collective bargaining agreement is not applicable.)
2. Inconsistencies between time and production records (No inconsistencies between time and production records.)
3. Dormitories (There are no dormitories in the facility premises.)
4. There was no contractor in the facility, so Contractor license/permit was not applicable.
5. Facility has provided photocopy of building approval plan as it was kept at their head office.

Summary of findings: The auditee has successfully integrated the amfori BSCI code of conduct in their day-to-day business but few scope for development were observed as below:

PA1. Social Management System:

1. Few gaps were noted related to implementation of social management system, workers involvement and protection, fair remuneration, occupational health and safety, protection of environment and ethical business behavior.
2. Facility has gaps in supply chain monitoring.

PA 2. Workers Involvement and Protection

1. Facility workers were not aware about amfori BSCI code of conduct.

PA 5. Fair Remuneration

1. Facility did not calculate and take initiative to provide standard living wage to the workers.

PA 7. Occupational Health and Safety:

1. Few gaps were found related to PPE, warning sign at steam pipe of dyeing machine, minor injury analysis, machine lay out, hydraulic test of compressor machine, machine safety etc.
2. Few workers at cutting section, fusing machine, overlock machine, snap button, knitting machine were not wearing related PPE.
3. Facility management did not provide warning sign & insulation cover at the steam pipe of dyeing machine.
4. Facility management did not include minor injury in their injury analysis & does not have proper investigation system for near misses injury.
5. Mismatch were found with existing floor layout of 3rd floor & 4th floor of building-01 with approved machine layout plan.
6. Facility management did not arrange a hydraulic test through a competent person for 15 out of 15 compressor's pressure vessels.
7. 30% needle guard (safety guard) of sewing machine and 20% eye guard of barteck machine was found in displace at the sewing section.

PA 12. Protection of the Environment

1. Construction materials and waste incinerations were not segregated by type of hazard and lots of waste were found kept in open area

PA 13. Ethical Business Behavior

1. Facility does not have any documented policy and procedure for workers personal data protection, exchange and handling, etc.

Living wage calculation: Auditors used Living Wage Update Report No. 2022-04-28 published by Global Living Wage Coalition (GLWC) to estimate the standard cost of living in Zirani bazar, Gazipur, Bangladesh because there were some gaps in the facility's calculated living wage.

SITE DETAILS

Site
IRIS Fabrics Limited

Site amfori ID
050-000816-002

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.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	2,859	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	44	Workers

Other Metrics

Male workers	1,458	Workers
Female workers	1,401	Workers
Permanent workers - Male	1,575	Workers
Permanent workers - Female	1,380	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	30	Workers
Management - Female	6	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	211	Workers
Workers on probation - Female	144	Workers
Workers with night shift - Male	414	Workers
Workers with night shift - Female	0	Workers
Workers with disabilities - Male	28	Workers
Workers with disabilities - Female	11	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	1,575	Workers
Workers hired directly - Female	1,380	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	20	Workers

Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	3 Workers
Sample - Male	24 Workers
Sample - Female	20 Workers

FINDINGS



PA1: Social Management System

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

Factory is in progress to integrate the amfori BSCI code of conduct in day-to-day business. A thorough observation of the facility's operations revealed gaps on implementation in the following amfori BSCI performance areas- social management system, worker involvement & protection, fair remuneration, occupational health and safety, protection of the environment and ethical business behavior etc. This question is rated as partially because there were no gaps in the other performance areas.
[Reference: amfori BSCI CoC]

Based on document review and management interview, the factory management has identified 24 local sub-suppliers for supply chain mapping but during site visit 07 other sub-supplier's name have been observed in their production area which have not been included in the supply chain mapping. Hence 'amfori BSCI CoC & TOI' have not been communicated and no social performance monitoring was done for those 07 suppliers.

This question is rated as partially because 24 local sub-suppliers already included in the supply chain monitoring list and conducted internal audit and have communicated 'amfori BSCI CoC', 'amfori BSCI ToI' and company's internal policies with them.

[Reference: amfori BSCI CoC]



PA 2: Workers Involvement and Protection

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

Through worker interview it was noted that enough awareness was not found from the workers and workers' representatives regarding amfori BSCI COC. This question is rated as partially because facility management has provided training to the staff & workers on amfori BSCI code of conduct regularly and posted amfori BSCI COC at production area.

[Reference: amfori BSCI CoC]



PA 5: Fair Remuneration

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

During living wage calculation review and management interview it was noted that the factory has collected various data for calculating living wage for this region but did not take proper step for calculating standard food basket, housing cost, education cost etc. As a result, living wage was not calculated properly to

Finding(s)

identify the potential gap between present local minimum wage and living wage and no action plan is in place to fill the gaps. This question is rated as partially because facility management has completed fair remuneration quick scan template for 44 sample workers and as per payroll documents verification and worker interview, factory is providing salary based on legal minimum wages as per grade to the workers. [Reference: amfori BSCI CoC]

PA 7: Occupational Health and Safety

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

The facility is in progress of implementing health & safety related legal requirements. However few gaps were found related to PPE, warning sign at steam pipe of dyeing machine, minor injury analysis, machine lay out, hydraulic test of compressor machine, machine safety etc. This question is rated as partially because facility management ensured occupational health and safety as per law in all other areas. [Reference: amfori BSCI CoC]

Through plant tour, document review & management interview it was noted that facility management ensured PPE (Personal protective equipment) to all workers but below PPE related issues were noted during site visit-

- (i) Around 30% cutter man were not using face mask & metal hand gloves during working time at 6th floor cutting section of building-01.
- (ii) 03 out of 03 fusing machine operators were not using hand gloves during working time at 6th floor cutting section of building-01.
- (iii) Around. 20% overlock machine employees were not using face mask during working time at 2nd, 3rd, 5th & 7th floor sewing section of building-01. Also facility management does not take any protective measure to protect workers head from excessive dust extracted from overlock machine. Huge dust was observed on workers head especially male workers at 2nd, 3rd, 5th & 7th floor sewing section of building-01.
- (iv) 02 out 04 snap button machine operator were not using safety goggles during working time at 2nd floor sewing section of building-01.
- (v) Around 20% knitting machine operator were not using ear plug during working time at ground floor knitting section of building-01.

This question is rated as partially because all other employees were using PPE during work and facility management has ensured awareness posters in the production floor and conducted periodic training sessions for workers on use of PPE. [Reference: amfori BSCI CoC & Bangladesh Labor Rules 2015, Rule 67 (2)]

Through plant tour & management interview it was noted that facility management does not provide any warning sign & insulation cover at the steam pipe of dyeing machine at ground floor dyeing section of building-04. This question is rated as partially because facility provides warning sign for other area e.g. exhaust fan, electrical distribution area etc. [Reference: amfori BSCI CoC]

(i) Through document review & management interview it was noted that minor injuries treated by first aiders in production floor are not included in analysis for taking corrective and preventive action.

[Reference: Bangladesh Labor Rules- 2015, Rule-73 and amfori BSCI COC].

(ii) Through management interview it was noted that facility does not have proper investigation system for

Finding(s)

near misses injury. [Reference: amfori BSCI CoC].

This question is rated as partially because facility maintain accident injury register for all kinds of accident, conduct injury analysis for those injuries which is treated by nurse and provide awareness training to affected workers.

Through plant tour, document review & management interview mismatch were found with existing floor layout of 3rd floor & 4th floor of building-01 with approved machine layout plan. Machine layout approval of 3rd floor taken as sewing, finishing, packing & sample section whether currently used as sewing section, sample section & semi-finished goods keeping area and at 4th floor layout approval taken as finishing section, cutting section, finished goods store, pattern room & sample section whether currently used as finishing section, inspection room, & empty carton store. Also factory does not include solar panel area of rooftop of building-04 was not included in existing machine layout plan. This question is rated as partially because facility has updated machine layout approval for other area and building construction approval for entire buildings of the premises. [Reference: amfori BSCI CoC & Bangladesh Labor Rules-2015, Rule-353 (1)]

Following machine safety related findings were noted through site visit:

- (i) No finger guard were found at 02 out 04 snap button machine at 2nd floor sewing section of building-01
- (ii) Around 30% needle guard of sewing machines are found displaced in sewing section.
- (iii) Around 20% eye guard of bartech machines were found in displaced condition in 2nd & 3rd floor sewing section.

This question is rated as partially because machine safety guard at other's machine like overlock, flatlock etc. were found in proper condition.

[Reference: Bangladesh Labour Law 2006, section 63(1) D (3) & amfori BSCI CoC]

- (iv) Through document review & management interview it was noted that no hydraulic test was conducted by competent person for 15 out 15 compressor. This question is rated as partially because facility regularly checked the compressor machine internally and they used to conduct external & internal inspection of boiler, generator, lift and other electrical equipment. [Reference: Bangladesh Labor Rule 2015, Rule 62 (1-d) & amfori BSCI CoC]

PA 12: Protection of the Environment

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

Through plant tour it was noted that waste like construction materials and waste incinerations were not segregated by type of hazard and lots of waste were found kept in open area. This question is rated as partially because factory has designated waste store, regularly disposed waste through a 3rd party waste collector & they have installed ETP to treat waste water. [Reference: Bangladesh Labor Law 2006, Section 54 & amfori BSCI CoC]

PA 13: Ethical Business Behaviour

Site: IRIS Fabrics Limited | Site amfori ID: 050-000816-002

ENGLISH

Finding(s)

Through document review & management interview it was noted that facility has no policy or procedure for workers personal data protection, exchange, handling etc. This question is rated as partially because facility management kept the employees file in confidential way. [Reference: amfori BSCI CoC]