

Monitoring result for Vertex Wear Ltd. on site Vertex Wear Ltd.

Monitoring

Monitored Party : **Vertex Wear Ltd.**
amfori ID : **050-000824-000**
Site : **Vertex Wear Ltd.**
Site amfori ID : **050-000824-002**
Address : **Varari, Rajfulbaria, Tetuljhora, Savar,**
: **1340, Dhaka- 1340**
: **Dhaka**
: **Bangladesh**
Monitoring Activity : **amfori Social Audit - Manufacturing**
Monitoring Type : **Full Monitoring**
Monitoring Partner : **Intertek**
Monitoring Start Date : **02/05/2023**
Closing Meeting : **02/05/2023**
Finished Date
Submission Date : **10/05/2023**
Expiration Date : **10/05/2025**

This is an extract of the online monitoring result, generated on 11/05/2023, and is only valid as an acknowledgement of the result. To see all the details, review the full monitoring result, which is available [here](#) - 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 | C |
| PA 2: Workers Involvement and Protection | B |
| 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

Auditing Company: ITS Labtest Bangladesh Ltd.

Name of Auditors and APSCA Registration Number:

- 1) Md. Tarequzzaman- RA21704534
- 2) Umme Hunny Tabassum- ASCA21705348
- 3) Md. Zuiel Hossen - ASCA21701262
- 4) Asim Mondal- ASCA21700859
- 5) Mohammad Salah Uddin- ASCA21701405

Audit Date: 02 May 2023

This is a full audit conducted in one day. Five auditors (01 Female and 04 Males) have verified the facility's operations against the amfori BSCI Code of Conduct and local legislation. The facility management was positive towards this audit and provided full access to the auditors. Note, in this audit 5 man-days spent on-site, and 0.5 man-day assigned for offsite report purpose.

Vertex Wear Ltd. is a 100% export-oriented woven items manufacturer located at Varari, Post: Rajfulbaria, Thana: Savar, Dhaka. The facility has started its operation since May 2008 at the current location. Facility's Factory license number is 13875/Dhaka which was found valid till 30 June 2023. The total structural area occupied by the facility is about 4,85,787.68 square feet. Main production processes were Cutting, Sewing, Washing, Finishing and Packing. Two other sister concern factories found located at the same premises and they commonly share few facilities. For example, cutting section of three factories is located at the same floor of same building but they work in different cutting table designed for individual factory. Utility facility (Boiler, generator & compressor), workers' dining, canteen, childcare, medical, security post and warehouse is shared commonly with two other sister concern factories.

Auditor conducted opening meeting, site observation, workers interview, worker representative interview, management interview, document review and closing meeting.

Opening meeting:

In opening Mr. Shaymal Kumar Sarker- DGM (Admin & Compliance), Mrs. Salatunnasa - Manager (HR & Compliance), Chaminda Pannipitiya - Sr. General Manager (Operation), Mr. Milon Karmokar-Asst. Manager (HR), Mr. Md. Nazmul Molla – Asst. Manager (HR & Compliance) and Mst. Monira Khatun - Vice President of Participation Committee were present in the opening meeting. Auditor described the whole audit process, standards, scope, and explained the amfori BSCI code of conduct and local laws to what extent these are related to this audit in the opening meeting.

Facility's working hours are as follows:

- There is 01 general shift which is 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 was weekly holiday.
- Facility has 02 shifts (08:00 am to 05:00 pm, 08:00 pm to 05:00 am) for washing, including 01-hour Interval for rest or meal in each shift. Friday was weekly holiday.
- 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 Security Section, including 01-hour Interval for rest or meal in each shift. Weekly holiday provided as rotation basis.

Total manpower of the facility is 2601, among them 1274 are male employees and are 1327 female employees.

All employees were recruited permanently and receive wages by monthly basis in local currency (bank payment). Highest wage found BDT 13288 and average wage BDT 10300 from sample employees wage record. From sample employees minimum age found 20 years. Currently factory uses electronic system (Swipe Card) to record daily attendance.

Site tour:

Right after the opening meeting, audit team went out for a site/plant visit with permission for photography and workers interview from the management. During site tour all areas of the facility such as production and other non-production areas were covered during the audit.

Site description:

The facility premises consist of total 17 buildings and 03 shed and 2 more sister concerns for production purpose. Only common areas and common pathways of all facility were covered but no co-mingling issues were identified. Detail building description is attached in attachment.

Production Processes:

The main production processes are Cutting, Sewing, Washing, Finishing and Packing.

All employees are permanent. 42 permanent employees were selected for interviews from different production processes and non-production sections. Among them 20 were male and 22 were female. Payroll records were reviewed from April 2022 to March 2023, and among them payroll records and timecards for the month of March 2023 (recent paid month), November 2022 (random month) and June 2022 (random month) were reviewed in detail.

Moreover, attendance register, production records and many other documents relevant to this audit were reviewed by the auditors. As per facility management, factory have no peak season in terms of production. Facility has formed Participation Committee and last election held on 13 October 2022. The committee has 18 members, among them 09 are from employee's side and 09 are from management side.

Improvement areas:

Improvement areas were identified in PA 1, PA 2, PA 5, PA 7, PA 10, PA 12 and PA 13. Details has been pointed out in the respective checklist point.

For the areas (PA 3, PA 4, PA 6, PA 8, PA 9 and PA 11) no non-conformities were noted, and the compliance noted is mentioned in relevant Performance areas.

Closing meeting:

A closing meeting was conducted at end of the audit. All the attendees of opening meeting were not present in closing meeting. Auditors communicated all the area of improvements to the auditees in details. The auditee was positive on the discussion and agreed on the area of improvements. Mr. Shaymal Kumar Sarker- DGM (Admin & Compliance), has signed the findings report. Workers' representative was not present in the closing meeting as the work shift ended before the closing meeting has started.

#COVID19:

The facility has taken some preventive actions for the #COVID19 situation. For example, they have arranged hand washing areas at the factory gate and at the facility production floors. The facility ensured all employee's body temperature are checked through infra-red gun.

Note: 01

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

- Contractor license/permit, not applicable as there was no contractor used by the facility.
- Agency labour contract, not applicable as there was no contractor used by the facility.
- Government waivers, not applicable as this is not applicable for amfori monitoring.
- Collective bargaining agreements, not applicable as there was no CBA at the facility.

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

- Dormitories, not applicable as there was no dormitory at the facility.
- High-risk health and safety areas, not applicable as there was no such risky area at the production process, types of machinery and workplace.
- Inconsistencies between time and production records, not applicable as there was no inconsistency found.

Site Details

Site : Vertex Wear Ltd.

Site amfori ID : 050-000824-002

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 | 2601 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 | 42 Workers |

Other Metrics

| | |
|------------------------------------|--------------|
| Male workers | 1269 Workers |
| Female workers | 1332 Workers |
| Permanent workers - Male | 1269 Workers |
| Permanent workers - Female | 1332 Workers |
| Temporary workers - Male | 0 Workers |
| Temporary workers - Female | 0 Workers |
| Seasonal workers - Male | 0 Workers |
| Seasonal workers - Female | 0 Workers |
| Management - Male | 355 Workers |
| Management - Female | 25 Workers |
| Apprentices - Male | 0 Workers |
| Apprentices - Female | 0 Workers |
| Workers on probation - Male | 151 Workers |
| Workers on probation - Female | 8 Workers |
| Workers with night shift - Male | 88 Workers |
| Workers with night shift - Female | 0 Workers |
| Workers with disabilities - Male | 1 Workers |
| Workers with disabilities - Female | 2 Workers |
| Domestic migrant workers - Male | 1140 Workers |
| Domestic migrant workers - Female | 1200 Workers |
| Foreign migrant workers - Male | 0 Workers |
| Foreign migrant workers - Female | 0 Workers |
| Workers hired directly - Male | 1269 Workers |
| Workers hired directly - Female | 1332 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 | 2 Workers |
| Workers on parental leave - Male | 0 Workers |
| Workers on parental leave - Female | 5 Workers |
| Sample - Male | 20 Workers |
| Sample - Female | 22 Workers |

Findings

PA1: Social Management System

In accordance with BSCI Performance Area (Social Management System and Cascade Effect) No. 1.1 (Is there satisfactory evidence that the auditee has set up an effective management system to implement the BSCI Code of Conduct?): Finding: The facility management has taken many actions to integrate with BSCI requirements into their day-to-day business activities and social aspects. But some non-compliances are identified under different Performance Areas, which is the evidence of gaps identified in the overall management system against BSCI COC requirements. Note: The facility has other effective system, policy, and procedure in place to implement the BSCI COC in their business practice, so partial rating is given in this section.

In accordance with BSCI Performance Area (Social Management System and Cascade Effect) No. 1.3 (Is there satisfactory evidence that the auditee has a good overview of the significant business partners and their level of alignment with the BSCI Code of Conduct?) and Bangladesh Labour Rules 2015, Rule 16(5) (The wages and allowances of the workers and employees less than the amount fixed in the agreement executed between the contracting firm and the workers recruiting firm and the workers recruiting firm can't recruit any workers or employee in any post of its permanent workforce structure through the contracting firm.) Finding: The facility management has not shared BSCI Terms of Implementation to their business partners (suppliers) as per the BSCI code of conduct. Currently facility has 18 suppliers. Note: The facility has documented partial information for business partners and has a policy and procedure for supplier selection, so a partial rating is given at this checkpoint.

PA 2: Workers Involvement and Protection

In accordance with BSCI Performance Area (Workers Involvement and Protection) No. 2.2: (Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the BSCI Code of Conduct?): Finding: It was noted that, facility management has developed vision, mission and objectives of the company as well as has defined long term goals but does not reflect the step by step approach towards sustainable improvement as well as workers representative were not found genuinely involved in defining those goals. Note: The facility management has developed vision, mission and objectives as per requirement, so partial rating has given in this questionnaire.

In accordance with BSCI Performance Area (Workers Involvement and Protection) No. 2.5: (Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?) Finding: It was noted that the facility has policy on grievance procedure for the workers, but the policy was not in line the with amfori BSCI requirement as the policy did not define how to deal with "potential conflict of interest", "appeal process", timeline to address, appeal etc. Note: facility management has already established a grievance procedure, so a partial rating is given in this checkpoint.

PA 5: Fair Remuneration

In accordance with BSCI Performance Area (Fair Remuneration) No. 5.4: (Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?): Finding: It was noted that the factory management did not take initiative to achieve living wages and no action plan was in place to fill up gap between present local minimum wage and living wage. Though they were ensuring minimum wage as per law. Note: As the facility has calculated living wage, so partial rating is given in this checkpoint.

PA 7: Occupational Health and Safety

7.11 In accordance with amfori BSCI Performance Area (Occupational Health and Safety) No. 7.11 (Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?) and (A) Bangladesh Energy Regulatory Commission Act, 2003-Section 27(a) (1) No person shall engage himself in the following business unless he is empowered by a license or exempted from having it under this Act or any other Act, such as:- (a) power generation; (b) energy transmission; (c) energy distribution and marketing; (d) energy supply; and (e) energy storage. (B) Bangladesh Labor Rules, Rule 353(4): (Without written permission of the inspector general, no change in any approved layout plan may be brought). Findings: It was noted that, (A) The facility has a total of 05 generators (4.34MW total capacity). But the Captive Power Plant (CPP) certificate was found taken for 04 Generators (3.34 MW total capacity). However, the facility has already re-submitted all required documents for amendment of the certificate on 20 March 2023 but has not received the updated copy yet. (B) Mismatch was found between approved layout plan and actual floor layout at 1st & 2nd floors of building 1. The approved layout plan shows Four Layer rack, but on actual floor layout was found Accessories Store and Finished Goods Store respectively. Note: As facility management maintained all other updated licenses and permissions as per requirement, so partial rating has been given in this section.

In accordance with amfori BSCI Performance Area (Occupational Health and Safety) No. 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?) and Bangladesh Labor Law 2006, Section 63(1) D (3): (63. Fencing of machinery. (1) In every establishment the following machinery, while in motion or in use, shall be securely fenced by the safeguards of substantial construction, namely: (d)

PA 7: Occupational Health and Safety

Unless the following machinery are in such position or of such construction as to be safe to every person employed in the establishment as they would be if they were securely fenced- (3) Every dangerous part of any machinery). Finding: It was noted that, safety guard of machine was found displaced from its position while working in sewing section located at 1st & 5th floors of production building 4 as follows: (A) Needle guard was found displaced with approximately 20% of sewing machine. As per the statement of facility management there were approximately 824 sewing (single & double needle) machines was in operation in the production floors. (B) Eye guard was found displaced with approximately 10% of over lock, buttonhole and button attach machines. As per the statement of facility management there were approximately 131 over lock 39 buttonhole and 52 button attach machines was in operation in the production floors. Note: As facility management has ensured safety guard for all the machines, so partial rating was given to this checkpoint.

PA 10: No Precarious Employment

In accordance with amfori BSCI Performance Area (No Precarious Employment) No. 10.2: (Is there satisfactory evidence that the auditee engages workers based on recognised and documented employment relationships). A) Bangladesh Labor Rules 2015, Rule 19(5): (Each owner will provide identity card with the photograph to each worker working in the firm at the costs of the owner as per Form-6.) and B) Bangladesh Labor Rules 2015, Rule 118: (Following the description of Form-41, every worker must nominate a person who can receive undisbursed payment and other dues in the absence of him/her, at the time of his/her employment in the workforce). Finding: It was noted that, A) Blood Group and Emergency Contact Number of respective employees and Ticket/Card number was not mentioned in the randomly checked 42 out of 42 employees Identity Card. B) Following required information's were not included in the randomly checked 42 out of 42 form of declaration and nomination: Address, National ID Number and Signature of the nominated person; Date of Signature of workers; Thumb impression of the worker. Note: As the facility had provided Identity Card to all the employees and maintained nomination form, so partial rating was given to this checkpoint.

PA 12: Protection of the Environment

In accordance with amfori BSCI Performance Area (Protection of the Environment) No. 12.4 (Is there satisfactory evidence that waste is managed in a way that does not lead to the pollution of the environment?) and Bangladesh Labour Rules 2015, Rule 40 (1) (2): (With a view to fulfilling the purposes of the section 51(a), wastes should be removed in the box with lid as the appropriate measure so that bad smell or germs can't be spread from these. Metallic objects waste with terrible odor, chemical wastes and medical wastes should be removed in separate boxes every day.): Finding: It was noted that, different kinds of wastage (wood, metallic objects and polythene) were kept without proper segregation in open area located at in front of ETP Outlet, backside of warehouse building, near boiler room. Note: As the facility had a designated wastage keeping area and had an environmental policy, so partial rating was given to this checkpoint.

PA 13: Ethical Business Behaviour

13.2: In accordance with BSCI Questionnaire 13.2 (Is there satisfactory evidence that the auditee keeps accurate information regarding its own activities, structure and performance?) Findings: It was noted that the facility management are maintaining manual time keeping system for the attendance of security guards. Note: As the facility has maintained a time recording system for security sections and electronic time recording system was maintained for other sections, so partial rating is given in this checkpoint.