

Monitored Party Dragoni Fashions Ltd.	amfori ID 050-002087-000	Address Kulgaon, Baluchara, 4214 Chattogram , Chattogram, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner TÜV SÜD
Monitoring Start Date 26/09/2023	Closing Meeting Finished Date 27/09/2023	Submission Date 11/10/2023
Expiration Date 11/10/2025	Announcement Type Fully Announced	
Site Dragoni Fashions Ltd.	Site amfori ID 050-002087-001	

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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	B	
PA 5: Fair Remuneration	A	
PA 6: Decent Working Hours	A	
PA 7: Occupational Health and Safety	B	

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: Md. Tazul Islam; APSCA membership number: RA 21704592, Name of member auditor Md. Soharab Hossain (ASCA 21700583) ,

Name of observers, translators, trainees, advisors/consultants: Not applicable,

Monitoring Partner Name: TÜV SÜD Bangladesh Pvt. Ltd.

Audit schedule details: This full audit is planned for 02 auditors in two days. Two auditors (Md. Tazul Islam and Md. Soharab Hossain) on days one and two (26 & 27 September 2023) have verified the facility's operations as per amfori BSCI Code of Conduct and local legislation. Note, in this audit 02 auditors spent 4 man-days on-site, and 0.5 man-days assigned for offsite report purposes.

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

Business partner information: As per the factory license the facility is located at Baluchara Bazar, Kulgaon, Jalalabad, Chattogram, Bangladesh. The zip code is 4214 as per information gathered during the audit. The facility is a 100% export-oriented Apparel Woven (Jacket, denim tops and bottom) items manufacturer. The facility started its operation in 1991 at its current location. The total structural area occupied by the facility is about 48,550 square feet. Production processes are Cutting, Sewing, and Finishing (Iron and Packing). The production capacity of the facility is 1,80,000 pieces per month. As per the management statement, the production activity level is medium round the year.

On 26 September 2023, 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 facility management Md. Reza Noor (General Manager- HR, Admin and Compliance), Md. Zahed Hossain Liton (GM- Production), Md. Jahangir Alam (Manager -HR), Bijoy Kumar Roy (Member of Safety Committee), Riya Barua (President – Trade Union), Kajol Akter (Nurse), Aksha Khanam (Welfare Officer), Md. Rakib Hossain (Executive – HR), Md. Modasser Chowdhury (Executive - HR) and Riya Barua (President – Trade Union) were attended at the opening meeting. The audit team explained relevant information e.g. audit protocol, sampling of document, reviewing of document, interview, photograph, site visit, confidentiality in different aspects, shaming to the learning process in connection with amfori standards etc to the auditee. Right after the opening meeting, the audit team went out for a site/plant visit with permission for photography and workers' interviews from the management.

A total of 32 employees were randomly selected for interviews. Payroll records were reviewed from September 2022 to August 2023, and among them, payroll records and timecards for the months of August 2023 (recently paid month), May 2023 (random month) and December 2022 (random month) were reviewed in detail.

Audited location information: There is no other facility on the same premise. The audited facility is located in a rented building and having relevant documents (agreement) on it. No dormitory facility is available as this is not required by law. The details of building descriptions are mentioned here: The facility consists of 01 RCC building & 5 shed buildings as described below: Building 1 (4 storied) Ground Floor: Finishing (Packing & Metal detector area), Fusing Section, office, generator room, boiler room, fire control room, substation and Spot Removing Room, 1st Floor: Sewing, Medical, Room, Maintenance Room & Inspection Room etc. 2nd Floor: Sewing, Office, Maintenance area. 3rd Floor: Sewing, Cutting, Office room, Sample section. Roof Top: Vacant. Shed 1 (2 stories): Ground floor: Fabric and accessories store. 1st Floor: Finished goods store. Shed 2: Dining and canteen. Shed 3: Childcare room. Shed 4: Wastage and compressor. Shed 5: Fire pump house.

Operating shifts and hours:

- There is 01 general shift from 08:00 am to 05:00 pm for workers and office staff including 01-hour Interval for rest or meal breaks provided from 01:00 pm to 02:00 pm, and 01:00 pm to 02:30 pm. Friday is the 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 the Security Section, including 01-hour Interval for rest or meal in each shift. Weekly holidays are provided on a rotation basis.

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

Salary payment details: Wages are paid by the facility within 07 working days after completing one pay period of the following months. The salary was paid by the facility in cash.

Worker number information:

- Total number of employees is 968 (Males 363 and Females 605).
- Total number of Production workers is 831 (Males 249 and Females 582).
- Total management and non-production employees are 137 (Females 23, Males 114 and including 1 female, 14 males in Management level).
- Total number of employees in the probation period is 270 (Males 114 and Females 156).
- Total number of pregnant workers is 2.

All workers are hired directly. No disabled, and migrant workers were found working in the facility.

Good practices: The facility provides free transport facilities to the workers and donates to the educational institutions as well.

Worker organization details: The facility has a trade union and there were 11 members in the Executive council. The registered name of the Trade union on 'Dragoni Fashions Ltd. Sromik Union.' and this union was registered on 15 March 2023.

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 3, PA 4, PA 5, PA 7, PA 12 and PA 13. No noncompliance was found in the rest of the Performance Area (PAs) e.g. PA 6, PA 8, PA 9, PA 10, PA 11.

Auditors conducted the closing meeting on 27th September 2023, after the completion of the entire audit process. The same persons mentioned in the opening meeting attended the closing meeting with the worker's representative. Finally, Md. Reza Noor (General Manager- HR, Admin and Compliance) & Riya Barua (President – Trade Union) signed the Findings Report after the end of the closing meeting.

The attitude of management and workers: The facility management was positive and extended their full cooperation throughout the audit. Further, they have agreed with the areas of improvement identified during the audit. Through interviews with workers, it was noted that all workers are content with the facility. The relationship between management and the workers appeared to be cordial. There was no collective bargaining agreement that took place as the union was formed within this year and no such agreement has taken place.

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

Note: The below documents have not been uploaded as these were not applicable to this facility:

- Contractor license/permit.
- Agency labor contract.
- Government waivers.
- Environmental Clearance Certificate.

SITE DETAILS

Site
Dragoni Fashions Ltd.

Site amfori ID
050-002087-001

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.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	836	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	32	Workers

Other Metrics

Male workers	336	Workers
Female workers	500	Workers
Permanent workers - Male	249	Workers
Permanent workers - Female	449	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	14	Workers
Management - Female	1	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Workers on probation - Male	114	Workers
Workers on probation - Female	156	Workers
Workers with night shift - Male	3	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	363	Workers
Workers hired directly - Female	605	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Unionised workers - Male	87	Workers
Unionised workers - Female	348	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	1 Workers
Sample - Male	15 Workers
Sample - Female	17 Workers

FINDINGS



PA1: Social Management System

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

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 tour, document review and management 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 it's significances, so the question marked partially.

Question: 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 amfori BSCI Code of Conduct?

ENGLISH

Finding

Based on document review and management interview, it has been observed that the facility maintains a list of business partners, but this list does not include all the relevant significant business partners. The facility has only provided a list of three suppliers, even though there are more suppliers that the facility utilizes. Furthermore, there is no established procedure for ranking which business partners are considered significant and which are not. Additionally, the facility lacks proper monitoring of the social performance of its business partners and does not adequately share the Terms of Implementation. [Ref: amfori BSCI Code of Conduct].

As the facility has a procedure for resolving complaints received regarding its business partners and/or members. The facility does have a policy for the selection of business partners and has documented agreements with some of them, these factors have contributed to the facility receiving a partial rating.



PA 2: Workers Involvement and Protection

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

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

Based on document review and management interview, it was noted that the facility has established long-term goals aligned with the principles outlined in the amfori BSCI Code of Conduct. However, there is a notable absence of a structured, step-by-step approach to the pursuit of continuous improvement and the

Finding

realization of these goals. Furthermore, the meaningful involvement of workers and their representatives in the formulation of these objectives appears to be lacking. [Ref: amfori BSCI Code of Conduct]. It is worth noting that the facility has indeed formulated long-term goals pertaining to labour standards, and the management has a system in place for their implementation through available resources. This commitment to labour standards and the presence of a management system have contributed to the facility receiving a partial rating.

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

Based on document review, worker and management interview, it was noted that, 10 out of 32 sampled workers of the factory were found less aware about the requirements of amfori BSCI Code of Conduct. [Ref: amfori BSCI Code of Conduct]. As other sample workers were aware about the BSCI code and facility provides training on the same to the workers. So, the question marked partially.

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

Based on document review and management interview, facility has a policy on grievance procedure for the workers but the policy was not in line with amfori BSCI requirements as the policy did not define how to deal with “potential conflict of interest” and “Appeal process in the case of dissatisfaction”. [Ref: amfori BSCI Code of Conduct]. As sample workers were aware about the grievance procedure and facility provides training on the same to the workers. Moreover, grievance satisfaction survey has been conducted for the employees. So, the question is marked partially.

PA 3: The Rights of Freedom of Association and Collective Bargaining

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

Question: 3.4 Is there satisfactory evidence that the auditee does not prevent workers' representatives from accessing or interacting with workers in the workplace?

ENGLISH

Finding

Based on document review, management and worker interview, it was noted that there were no mechanisms in place to facilitate the introduction and enable workers to contact or meet with their

Finding

designated workers' representative. Additionally, no dedicated space was allocated for this purpose. And 12 out of 32 workers were less aware regarding trade union members and their activities. [Ref: amfori BSCI Code of Conduct].

It is important to note that the facility does have a trade union, and relevant documents pertaining to its existence and operations are maintained. As a result, a partial rating has been assigned to the facility.

PA 4: No Discrimination

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

Question: 4.2 Is there satisfactory evidence that the auditee takes the necessary preventative and/or remedial measures to ensure workers are not disciplined, dismissed or otherwise discriminated against because of their complaints against infringements of their rights?

ENGLISH

Finding

Based on the document review, facility management representative interview it was noted that the facility's approach to satisfaction surveys regarding the grievance mechanism lacks comprehensiveness. The conducted survey was exclusively in English, which is not the primary language of the workers. Moreover, the survey did not encompass the perspectives of administrative or non-production workers. [Ref: amfori BSCI Code of Conduct].

Nonetheless, it's noteworthy that the facility has a well-established grievance policy, a clear procedure in place, maintains a grievance log, and consistently administers grievances in accordance with the established policy. This is why the facility has been awarded a partial rating.

PA 5: Fair Remuneration

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

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

Based on management interview, worker interview and worker representative and document interview, facility management have the 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. [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: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

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

ENGLISH

Finding

Based on plant tour, document review, worker and management interview, it was noted 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: 7.3 Is there satisfactory evidence that the auditee regularly carries out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH

Finding

Based on plant tour, document review, worker and management interview, it was noted that no risk assessment found for canteen, rooftop, fire pump room, main gate in front of busy road, workers transport buses, etc. for ensuring safe, healthy and hygienic working conditions about the workplace issues. [Ref: amfori BSCI Code of conduct].

As facility has conducted risk assessment in other areas, 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

Based on Site tour, management interview and worker interview and document interview, it was noted that knowledge level of 03 of 05 interviewed fire fighters were inadequate on the use of firefighting equipment. [Ref: Bangladesh Labor Rules 2015, Rule 55(10)].

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

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH

Finding

Based on site tour, worker and management interview, it was noted that the spot removing room's wall was made of iron net, so the room is not separated from the production floor which might spread the chemicals

Finding

from the spot room to the floor. Note that, the factory is using spot lifter for spot removing work. [Ref: Bangladesh labor law 2006 section 79].

As auditee kept all the required chemicals with secondary containments, posing hazard identifications, MSDS and also provide required training to the related persons. So, the question marked partially.

Question: 7.10 Is there satisfactory evidence that the auditee has and properly uses procedures and systems for reporting and recording occupational accidents and injuries?

ENGLISH

Finding

Based on document review, worker and management interviews, it was noted that factory has recorded injuries but has not conduct proper analysis of the occupational injuries as per amfori BSCI requirements including the monetary value of lost time injury. Besides, no system was found at the facility to report the near-miss injuries that enable the workers to report immediately to their superiors. [Ref: amfori BSCI Code of Conduct].

As auditee kept records of injuries and also workers were found to understand the protocol to report injuries to their supervisor as well. So, the question is marked partially.

Question: 7.19 Is there satisfactory evidence that the auditee has emergency procedures, in writing, to deal with cases of trauma or serious illness?

ENGLISH

Finding

Based on document review, worker and management interviews, it was noted that facility management has done emergency procedures for trauma and serious illness, but workers and responsible persons found inadequate knowledge about trauma and serious illness. [Ref: amfori BSCI Code of conduct].

As facility has procedure to record trauma and serious illness, so the question marked partially.

Question: 7.22 Is there satisfactory evidence that the auditee provides workers with clean washing facilities, changing rooms and toilets that are also respectful of local customs?

ENGLISH

Finding

Based on the facility visit, workers and management interview, it was noted that the nearest floor area of the handwashing facilities situated on the eastern side of the 2nd floor in the main production building was found to be slippery and unclean, raising concerns regarding safety and hygiene [Ref: Bangladesh Labor Rules 2015, Schedule 4].

However, it is acknowledged that the facility has maintained cleanliness and tidiness in most of its areas, contributing to the partial rating assigned.

Question: 7.23 Is there satisfactory evidence that the auditee provision of transportation to workers is safe and complies with national regulations?

ENGLISH

Finding

Based on the facility visit, worker and management interview and documents review, it was noted that, facility management is using 4 buses to transport around 180 workers to pick and drop from different locations, but they didn't collect any fitness certificates of buses to ensure whether the busses are fit for workers transport or not. [Ref: Bangladesh Road Transport Act 2018, Section 4].

As facility has collected the driving licenses of the bus drivers' licenses found valid as per the category. So, the question is marked partially.

PA 12: Protection of the Environment

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

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

Based on site tour, document review, worker and management interview, it was noted that a) facility management did not obtain permission for the use of extracting the groundwater from the respective authority. [Bangladesh Water Act 2013, section- 24 (1)]. b) The facility did not have any procedure to prevent water loss and have a system to preserve natural water resources (recycling practices, preserve rainwater etc.) to ensure a better environment on the premises. [Ref: amfori BSCI Code of Conduct]. As auditee understand the importance of proper water management and facility management is planning to preserve natural water resource. So, the question is marked partially.

PA 13: Ethical Business Behaviour

Site: Dragoni Fashions Ltd. | Site amfori ID: 050-002087-001

Question: 13.1 Is there satisfactory evidence that the auditee actively opposes any act of corruption, extortion or embezzlement, or any form of bribery in its activities as a business enterprise?

ENGLISH

Finding

During this audit based on site tour, document review, worker and management interview, it was noted that

- a) The facility did not effectively communicate its anti-corruption policy to its business partners.
- b) The facility failed to identify potential areas of corruption and lacked viable solutions to mitigate anti-corruption issues.
- c) The facility has not conducted any training on ethical behavior for its office staff and management employees. [Ref: amfori BSCI Code of Conduct].

As the facility has developed policy and procedure against any act of corruption. So, the question marked partially.