

# Monitoring result for Saiham Cotton Mills Limited on site Saiham Cotton Mills Ltd.

## Monitoring

Monitored Party : Saiham Cotton Mills Limited  
amfori ID : 050-002159-000  
Site : Saiham Cotton Mills Ltd.  
Site amfori ID : 050-002159-001  
Address : Saiham Nagar, Nayapara, Madhabpur, Hobigonj  
: 3333, Hobigonj  
: Sylhet  
: Bangladesh  
Monitoring Activity : amfori Social Audit - Manufacturing  
Monitoring Type : Full Monitoring  
Monitoring Partner : Bureau Veritas Hong Kong Limited  
Monitoring Start Date : 19/11/2022  
Closing Meeting : 19/11/2022  
Finished Date :  
Submission Date : 27/11/2022  
Expiration Date : 27/11/2023

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## 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	C
PA 5: Fair Remuneration	C
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	A
PA 13: Ethical Business Behaviour	A

## General description

Audit Company: Bureau Veritas Consumer Products Services (Bangladesh) Ltd.

Audit Company APSCA Number: 11600002.

Monitoring Date: 19 November 2022.

Announcement Type: Semi-Announced.

Lead Auditor Name: Wadud Ahmed Chowdhury (APSCA RA21700679)

Team Auditors: Bahlul Dana (APSCA RA21701197), Junaid Hasan (APSCA RA21701260), and Md. Ataur Rahman (APSCA RA21702809).

Time spent: 4 Man-days (3.5 Man-days onsite, and 0.5 Man-day reporting).

### Facility License Details:

1. Factory License- Registration No. 373/Sylhet, Category: I, Issue Date: 21 December 2003, Expiry Date: 30 June 2023.
2. Fire License- License No.: Sylhet-5/0006/2006-2007, Occupational Class: Industrial G-2, Expiry Date: 30 June 2023.
3. Trade License- Sl. 3, License No 11, Expiry Date: 30 June 2023.
4. Certificate of Incorporation- Saiham Spinning Mills Limited, Issue Date: 13 May 2002.

Saiham Spinning Mills Limited started production in 2003 at Noyapara, Saiham Nagar, Madhabpur, Habiganj, Sylhet, Bangladesh. The facility manufactures Yarn with processes of Blowing, Carding, Combing, Drawing, Simplex, Ring, Auto Cone, UV, Conditioning, and Packing. The as-built area of the facility covers an area of approximately 361,584 square feet. The audit started with an opening meeting where relevant management staffs and worker's committee representatives were present.

Inside the facility premises, another entity named "Faisal Spinning Mills Ltd." was located under the same owner and management. All the workers were handled separately by the same management for the other entity. No comingling issues were noted during the audit. The facility shares some common service areas like staff offices, warehouse, utility, dining, childcare, and medical with the other entity.

The facility premise consists of 5 prefabricated sheds, and 5 RCC buildings as described below:

Shed 1 (1 storied): Raw cotton warehouse, blow room, carding, drawing, comber, simplex, ring, packing area, finished goods warehouse, laboratory, office, canteen, and dining area.

Shed 2 (1 Storied): Raw cotton warehouse.

Shed 3 (1 storied): Wastage store.

Shed 4 (1 storied): Medical room (shared).

Shed 5 (1 storied): Childcare room (shared).

Building 1 (2 storied):

Ground floor: Training room, QA room, and CCTV room (shared).

1st & 2nd floor: Office.

Roof: Vacant.

Building 2 (1 storied): RMS room (shared).

Building 3 (1 storied): Generator room (shared).

Building 4 (1 storied): Security room (shared).

Building 5: Fire hydrant pump room (shared).

The facility has approximately 736 workforces (male 292, and female 444). Amongst them, 683 are workers (male 239, female 444), and 53 are management staff (male 53, female 0). All workers were recruited directly by the facility as permanent types and 100% were Bangladeshi citizens. 30 permanent workers were selected for interviews, payroll, working hours, and other record reviews from different production processes and non-production sections. Among them 10 were male and 20 were female. The audit scope was from November 2021 to October 2022. The facility has approximately the same production output around the year. Payroll records and timecards reviewed for the month of October 2022 (currently paid month), June 2022 (random paid month), and January 2022 (random paid month) were reviewed in detail.

Moreover, the auditors reviewed the attendance register, production records, inspection report, and many other documents relevant to this audit. The facility follows the legal minimum wage gazette for the garments industry. The wage of each month is paid through the mobile financial service (bKash) within the 7th working day after the completion of the payment cycle (calendar month) at a fixed rate. The workers work in 3 shifts, Shift 1: 6:00 am to 2:00 pm, Shift 2: 2:00 pm to 10:00 pm, and Shift 3: 10:00 pm to 6:00 am. The attendance of the workers is recorded through an electronic system (face punch). The regular working hour of the facility is 48 hours weekly and 8 hours a day for each shift. 1-day rest is provided after 6 days of work and a 1-hour break is provided during each shift. In the sampled months regular and overtime hours have not exceeded the legal limit. Workers get 10 casual leaves, 14 sick leaves, 1 annual leave for 18 days of attendance, and 12 festival leaves in a year. Overtime work is volunteering in the facility. The facility management pays 200% of the basic wage as an overtime premium per legal requirements.

A closing meeting was conducted at the end of the audit. All the attendees of the opening meeting were present in the closing meeting. Auditors communicated all the listed findings in detail and discussed the area of improvement with the auditees. The auditee was positive about the discussion and agreed on the area of improvement. Md. Niaz Nahid Akand-Manager (HR,

Admin, and Compliance), Ms. Maya Rani-Vice President of the Participating Committee, and other key staff of the facility were present during the closing meeting.

Note 1:

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

- Contractor license/permit.
- Government waivers.
- Structural/stability license.
- Collective bargaining agreements.

Note 2:

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

- Dormitories
- High-risk health and safety areas.
- Inconsistencies between time and production records.

## Site Details

Site : Saiham Cotton Mills Ltd.

Site amfori ID : 050-002159-001

### GICS Classification

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Sector : Consumer Discretionary

Industry Group : Consumer Durables & Apparel

Industry : Textiles, Apparel & Luxury Goods

Sub Industry : Textiles

### amfori Process Classifications

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Spinning / Rotor Spinning / Airjet Spinning / Ring Spinning

### GS1 Classifications

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Segment : Clothing

Family : Activewear

Product Class : Activewear

### NACE Classification

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Preparation and spinning of textile fibres

### Water Stress Situation

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This site is not located in a water stressed region

## Metrics

### Key Metrics

Total workforce	228 Workers
Legal minimum wage in local currency	5710 Monthly
Lowest wage paid for regular work at the site	5710 Monthly
Calculated living wage in local currency	13630 Monthly
Total sample	30 Workers

### Other Metrics

Male workers	80 Workers
Female workers	148 Workers
Permanent workers - Male	239 Workers
Permanent workers - Female	444 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	53 Workers
Management - Female	0 Workers
Apprentices - Male	17 Workers
Apprentices - Female	32 Workers
Workers on probation - Male	17 Workers
Workers on probation - Female	32 Workers
Workers with night shift - Male	80 Workers
Workers with night shift - Female	148 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	239 Workers
Workers hired directly - Female	444 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	0 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	1 Workers
Sample - Male	10 Workers
Sample - Female	20 Workers

## Findings

### PA1: Social Management System

1.1 It was noted that the facility management has taken many actions to integrate BSCI requirements into their day-to-day business activities and social aspects. But, some improvement areas were identified under different Performance Areas, which is evidence of improvements identified in the overall management system against BSCI COC requirements. This violates amfori BSCI Performance Area 1.1.

The facility management understands English therefore local language is not added.

1.3. It was noted that the facility management has marked 10 significant business partners (suppliers), but amfori BSCI CoC and Terms of Implementation (Business Partner) were not shared with those significant business partners. Moreover, the social performance of the suppliers were also not monitored by the facility. This violates amfori BSCI Performance Area 1.3.

The facility management understands English therefore local language is not added.

### PA 2: Workers Involvement and Protection

2.2 It was noted that there was a vision, mission, objectives, and long-term goal of the factory according to the amfori BSCI code of conduct requirement. However, the worker or their representative was not involved in defining the vision, mission, objectives, and long-term goal of the facility. This violates amfori BSCI Performance Area 2.2.

The facility management understands English therefore local language is not added.

2.4 It was noted that still randomly interviewed 12 out of 30 sample workers were unaware of the requirements of amfori BSCI Code of Conduct. However, the facility has a procedure to provide amfori BSCI CoC training to their workers. The last amfori BSCI training was conducted on 14 November 2022. This violates amfori BSCI Performance Area 2.4.

The facility management understands English therefore local language is not added.

### PA 4: No Discrimination

4.1 It was noted that the auditee had not yet conducted an internal assessment on the most frequent/recurring grounds/factors used for discrimination as well as the most common activities through which discrimination may occur/take place and did not identify the root cause of discriminatory behaviors. This violates the amfori BSCI Performance area 4.1.

The facility management understands English therefore local language is not added.

### PA 5: Fair Remuneration

5.4 It was noted that the facility yet not performed a survey to estimate the living wage of this region as per established methods (Anker method). This violates the amfori BSCI Performance Area 5.4.

The facility management understands English therefore local language is not added.

5.6 It was noted that the facility had deducted and calculated the absent amount with the weekend work if the workers were absent before or after the weekend work. Suppose, 1 worker was absent on 19, and 20 October 2022, and his/her weekend was Tuesday. However, the factory calculates the absent amount from 18th to 20th October 2022. Note that, the weekend of the workers was Tuesday. This violates the amfori BSCI Performance Area 5.6, Bangladesh Labor Rules 2015, Rules 115, and Bangladesh Labour Law 2006, Section 126.

The facility management understands English therefore local language is not added.

### PA 7: Occupational Health and Safety

7.1 It was noted that few improvement areas were observed in the Occupational Health & Safety management system applicable for the activities performed by the facility. Thus, relevant findings were noted in a few areas of this section. This violates amfori BSCI Performance Area 7.1.

The facility management understands English therefore local language is not added.

7.4. It was noted that the facility conducted a risk assessment for all sections but conducted risk assessment document lacks the following areas: a) The facility did not conduct hazard identification and risk assessment periodically, b) Follow-up on the effectiveness of the control determined was not conducted. c) Date of the last conducted risk assessment was not given in conducted risk assessment. d) Risk level and control measures were not determined in the risk assessment. e) Safety committee members were not involved in the conducted risk assessment. This violates amfori BSCI Performance Area 7.4, and Bangladesh Labor Rules 2015, Rule 85, Schedule 4.

The facility management understands English therefore local language is not added.

7.6 It was noted that randomly checked 3 out of 10 ring section operators were found not using earplugs while working. As per the noise testing report, the noise level of the ring section was found 93.4 decibels. Note that the facility has provided earplugs

## PA 7: Occupational Health and Safety

to the ring section workers, but those workers were found unaware of using earplugs. This violates amfori BSCI Performance Area 7.6, Bangladesh Labor Law 2006, Section 53 (1), and Bangladesh Labor Rules 2015, Rule 67(3).

The facility management understands English therefore local language is not added.

7.13 It was noted that 1 of the 2 electricians' licenses expired on 13 January 2022. This violates amfori BSCI Performance Area 7.13, and Bangladesh Labor Rules 2015, Rule 58 (9).

The facility management understands English therefore local language is not added.

7.14 It was noted that facility management did not install a fire detection system (e.g. smoke detector/beam smoke detector) at production Shed 1, Shed 2, and Shed 4. Also, no fire alarm was found installed in the cotton and yarn storage area of Shed 1, Shed 2, Shed 4, and Building 3 (generator room). This violates amfori BSCI Performance Area 7.14, and Bangladesh National Building Code 2020, Code

The facility management understands English therefore local language is not added.

## PA 10: No Precarious Employment

10.2 It was noted that sampled 11 out of 30 workers' personal files were not updated with their leave records, disciplinary record, and wage information in the service book. However, the wage was found accurate as per legal requirements. This violates amfori BSCI Performance Area 10.2, and Bangladesh Labor Rules 2015, Rule 20 (Form 7).

The facility management understands English therefore local language is not added.

## PA 12: Protection of the Environment

12.5 It was noted that the facility does not have a system to preserve natural water resources (water recycling practices, holding rainwater, etc.) to reduce other sources of water usage. Moreover, the auditee did not properly identify water springs, rivers, lakes, and different water ecosystems in the area of the facility. Also, no documented risk assessments that justify management decisions on water use. This violates amfori BSCI Performance Area 12.5.

The facility management understands English therefore local language is not added.

## PA 13: Ethical Business Behaviour

13.1 It was noted that the facility had not established any reward system for ethical behavior or encouraged workers to maintain it. This violates amfori BSCI Performance Area 13.1.

The facility management understands English therefore local language is not added.