

Monitored Party <b>Knit Studio Limited.</b>	amfori ID <b>050-001785-000</b>	Address <b>460/1, Shaheed Siddik Road, North Khaikur, National University,, 1704 Gazipur, Dhaka, Bangladesh</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>UL LLC</b>
Monitoring Start Date <b>25/03/2024</b>	Closing Meeting Finished Date <b>26/03/2024</b>	Submission Date <b>28/03/2024</b>
Expiration Date <b>28/03/2026</b>	Announcement Type <b>Semi Announced</b>	
Site <b>Knit Studio Limited.</b>	Site amfori ID <b>050-001785-002</b>	

This is an extract of the online Monitoring Result, generated on 01/04/2024, 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>B</b>	
PA 2: Workers Involvement and Protection	<b>B</b>	
PA 3: The Rights of Freedom of Association and Collective Bargaining	<b>A</b>	
PA 4: No Discrimination, Violence or Harassment	<b>A</b>	
PA 5: Fair Remuneration	<b>A</b>	
PA 6: Decent Working Hours	<b>A</b>	

PA 7: Occupational Health and Safety	<b>A</b>	
PA 8: No Child Labour	<b>A</b>	
PA 9: Special Protection for Young Workers	<b>A</b>	
PA 10: No Precarious Employment	<b>A</b>	
PA 11: No Bonded, Forced Labour or Human Trafficking	<b>A</b>	
PA 12: Protection of the Environment	<b>A</b>	
PA 13: Ethical Business Behaviour	<b>A</b>	

## GENERAL DESCRIPTION

Name of lead auditor: Zahidun Nabi CSCA 21702554

Name of team auditor: Tofael Hossain CSCA 21702701 / Rashna Shamsuddin (ASCA 21701410)

Name of observers, translators, trainees, advisors/consultants: None

Monitoring partner name: UL LLC

Audit schedule details: The assessment is planned for 3 auditors on one day.

Announcement Type: Semi announced.

The auditee locates in Bangladesh, while the auditors are from same country.

Business partner information: The auditee is located at 460/1, Shaheed Siddik Road, North Khaikur, National University, 1704 Gazipur, Bangladesh. It was founded on 24-Apr-2007. The business license number is 33-30-1-003-00529, which is valid up to 17-Apr-2024. The product of the auditee is knitted sweaters items. Production processes include winding, auto knitting, linking, Trimming, mending, washing, iron, finishing, packing.

Audited location information:

There is no other factory sharing the same premises.

1. Main production building: 2 floors

Ground Floor- Office, Auto knitting, Winding, Needle room, Central store, Yarn store, finished goods area, bonded warehouse, wash station, Toilet area.

Mezzanine floor: Sample section

1st floor- Office, conference room, DB board area, linking section, Trimming section, Mending section, iron section, Sewing section, PQC section; Packing area, Spot removing area, Needle detector room, Inspection area, toilet area

2. Building 2: Ground floor: Compressor room, Substation room; Generator room. First floor: Maintenance room, chiller area

3. Building 3- Security room

4. Building 4- Child care and doctor room

5. Building 5- Chemical room, boiler room and open ETP area

6. Building 6- Gas reserve room

7. Shed 1- Wastage room

8. Shed 2- Dining room and canteen

No dormitory onsite

All these buildings are owned by auditee, but land is rented from the landlord (Shila Farhana).

Operating shifts and hours: The winding, linking, Trimming, mending, washing, iron, finishing, packing employees work in 1 working shift (8:00 am to 5:00 pm) with lunch break from 1:00 pm to 2:00 pm. Auto knitting section operates in 2 shifts (08:00 am to 5:00 pm and 08:00 pm to 5:00 am with 1 hour lunch or dinner break). Security section employees work in 3 working shifts (6:00 am to 2:00 pm/2:00 pm to 10:00 pm/ 10:00 pm to 6:00 am) with 1-hour lunch or dinner break on each shift. Voluntary type of overtime would be conducted from 5:00 pm to 7:00 pm and frequency is maximum 2 hours per day and 12 hours per week. The 7th day of rest is provided to employees.

Time recording system: Manual timecards are used to track the working hours of employees. Automatic time attendance system (Face/finger/card scan system is under process.

Salary payment details: Employees are paid within the 7th working day after the end of each month for the payment cycle. They are paid by cash.

Worker number information:

- Total worker number: 490
- Production worker number: 464 (232 male number and 232 female number)
- Vulnerable worker number: 0 pregnant workers and 0 disabled workers.

Good practices:

PA 1- Supply chain and stake holder mapping is done and shared in advance in SAQ

PA 5- The auditee pays 500 BDT per month as a present bonus for full attendance in a month.

Worker organization details: There is no trade established in the auditee. There is an elected workers association formed onsite. The election is approved by the government. The association formed on 31-Jan-24 and valid for next 2 years.

Circumstances: #COVID-19- The auditee has established precautions about COVID-19 in the facility. The auditee measured the temperature while entering. They also installed a hand wash facility onsite. Moreover, employees are using masks and awareness posters to maintain social distance as much as possible.

Summary of findings: There were noncompliance issues reported in PA 1, PA 2, PA 5, PA 7, PA 10 & PA 12.

PA1: PA 1.1 gap in management system

PA 2: PA 2.2- Gap in long term goal; PA 2.4- Gap in BSCI code awareness

PA 5: PA 5.4- Gap in living wage

PA 7: PA 7.1- Gap in occupational health and safety management system; PA 7.6- Gap in PPE; PA 7.16- Gap in fire safety plan; PA 7.17- Gap in machine safety guard

PA 10: PA 10.2- Gap in update of service book

PA 12: PA 12.3- Gap in environmental clearance certificate

No observations identified in other PAs.

Living wage calculation: The auditee has not done any written long-term plan to ensure living wage of the workers. The latest living wage data is published on GLWC website (Living Wage Update Report No. 2022-04-28) for Bangladesh. As per the published data, the living wage of this region is 19255 BDT per month. The auditee has not done any survey among the workers for living wage. However as per the provided payroll records, at least 5% sample workers are getting east 10% of a worker's total remuneration (including overtime wage) is more than the living wage calculated auditee and 5% of workers are currently getting more than 19255 BDT (As per living wage of this region) and the rest are ensured for minimum wage.

Opening Meeting: Upon arrival to the facility, the auditors were greeted by Md. Syfolla- Manager Admin, HR & Compliance and escorted to the meeting room located on 1st floor of the main building where an opening meeting was conducted with Md. Syfolla- Manager Admin, HR & Compliance; Afsana Mim- Welfare Officer; Md. Shofikul; Islam- HR Officer; Abul Hasnath- Admin Officer and Worker's Representative. The assessment procedures, grading criteria, UL Statement of Integrity and amfori BSCI COC and TOI were explained, and the UL Statement of Integrity was signed by Md. Syfolla. amfori BSCI COC and TOI were signed by Md. Syfolla during the assessment scheduling process. Access to facility and documentation was fully granted. Facility management allowed the auditors to take photos during the assessment.

Closing Meeting:

At the conclusion of the assessment a closing meeting was conducted with the above management team and the workers association member. The assessment outcome was communicated and reviewed in detail through presenting the Closing Meeting Report. Facility management agrees with all the observations and commented that they will correct all the issues. The Closing Meeting Report was signed by Md. Syfolla. The assessment team thanked the meeting participants for their time, cooperation, and assistance with the assessment process. The assessment was concluded at 03:45 pm.

Auditor Notes:

1. Those documents below were not uploaded to the system due to the fact that they are not applicable. (Below photos are not available- Agency Labor contract- No agency; Contractor license/permit- No contractor, Government Waivers-Not applicable; Inconsistencies between time and production records- Not detected; Dormitory- No dormitory provided by the auditee.
2. Due to the local law requirements on protection of personal data, personal information has been hidden in the audit report and uploaded documents.
3. The factory management understands English and as per amfori BSCI memo, translation is not required.

SITE DETAILS

Site  
Knit Studio Limited.

Site amfori ID  
050-001785-002

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

N.A.

## METRICS

### Key Metrics

Total workforce	474	Workers
Legal minimum wage in local currency	12,500	Monthly
Lowest wage paid for regular work at the site	12,500	Monthly
Calculated living wage in local currency	19,255	Monthly
Total sample	20	Workers

### Other Metrics

Male workers	237	Workers
Female workers	237	Workers
Non-binary workers	0	Workers
Permanent workers - Male	245	Workers
Permanent workers - Female	245	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	20	Workers
Management - Female	6	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	10	Workers
Workers on probation - Female	10	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	109	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	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	245	Workers
Workers hired directly - Female	245	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	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	10	Workers
Sample - Female	10	Workers
Sample - Non-binary	0	Workers

## FINDINGS



### PA1: Social Management System

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002

**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

PA 1.1- Based on document review and management interview it was noted that the auditee partially respects this principle. There are gaps identified in other performance areas which indicate gap in management system. This question is rated partially as the auditee has full commitment in other performance area and there is policy and procedure. [In accordance with amfori BSCI Code 1.1]



### PA 2: Workers Involvement and Protection

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002

**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

PA 2.2- Through document review and management interview it was noted that the factory has written long term goal to implement as per amfori BSCI Code of conduct. However, the written long term goal does not have any plan to provide living wage for workers. As they have written plan for long term goal, this is rated as partial [In accordance with amfori BSCI Code 2.1]

**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

PA 2.4- Based on document review and management interview it was noted that the auditee partially respects this principle as- There is awareness training session for employee regarding amfori BSCI Code of conduct. However, at least 5 out of 20 sample employees are not aware amfori BSCI Code of Conduct. This question is rated partially as there is amfori BSCI management representative who is responsible for conduct training and other sample employees are aware of code. [In accordance with amfori BSCI Code 2.4]



### PA 5: Fair Remuneration

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002



**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

PA 5.4- The auditee has not done any written long-term plan to ensure living wage of the workers. The latest living wage data is published on GLWC website (Living Wage Update Report No. 2022-04-28) for Bangladesh. As per the published data, the living wage of this region is 19255 BDT per month. The auditee has not done any survey among the workers for living wage. However as per the provided payroll records, at least 5% sample workers are getting east 10% of a worker's total remuneration (including overtime wage) is more than the living wage calculated auditee and 5% of workers are currently getting more than 19255 BDT (As per living wage of this region) and the rest are ensured for minimum wage. As the total remuneration partially meets the living wage calculated by auditor, this is rated partially [In accordance with amfori BSCI Code 5.4]

## PA 7: Occupational Health and Safety

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002

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

#### ENGLISH

##### Finding

PA 7.1- Based on document review, health and safety walkthrough, workers, and management interview it was noted that the auditee partially respects this principle as- There are gaps identified in several principle of this performance area 7. These observations indicate noncompliance against local law. This question is rated partially as there is health and safety policy and no observations in other principles. [In accordance with amfori BSCI Code 7.1]

**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

PA 7.6. During the current assessment, from the floor visit it was noted that 06 out of 12 sampled checked jacquard workers were not using ear plug. And chair with back rest not provided to 90% long sitting workers working in the linking & sewing section. This question is rated partially as the auditee has written policy on personal protective equipment, PPE training provided by the auditee, and other workers are found using required PPEs [Bangladesh Labor Code (2006), Amendment (2013),78(a). Mandatory use of personal protective equipment].

**Question:** 7.16 Is there satisfactory evidence that the auditee ensures evacuations plans meet legal requirements and that these plans are posted in relevant places so workers can see and understand them?

## ENGLISH

### Finding

PA 7.16- The auditee partially respects this principle because- Through document review and management interview it was noted that the auditee has achieved fire license from Fire service and Civil Defense authority of Bangladesh. However, the factory is still pending the fire safety plan from Fire service and Civil Defense authority of Bangladesh. This question was rated partially because the facility has health and safety policy, procedures, valid fire license and evacuation plot plan already implemented. [In accordance with Ministry of Labor & Employment Reminder No. Shrop/Con/ CMC (Part -2)/ 2012/241(3) dated July 1, 2012]

Factory informed Fire department already visited the factory and will issue soon

**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

PA 7.17- During the current assessment, from the floor visit, it was noted that around 15 linking idle machine were found without safety cover which may cause any accident or injury in any emergency situation. However, safety guards with other machines found functional and in proper point. And factory providing regular machine safety training to their employees, so this issue rated as partial. [In accordance with Bangladesh Labor Law 2006, section-63(1)].

## PA 10: No Precarious Employment

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002

**Question:** 10.2 Is there satisfactory evidence that the auditee engages workers based on recognised and documented employment relationships?

## ENGLISH

### Finding

PA 10.2- During the current assessment from the documents review and management interview it was noted that factory not updating the annual leave status in the 04 out of 20 sampled checked service book as required by law. [In accordance with Bangladesh Labor Rules 2015, Chapter 02, Rules 21-D]. However, as the factory provided appointment letter to the 100% sampled checked employees, thus this issue was rated as partial.

## PA 12: Protection of the Environment

Site: Knit Studio Limited. | Site amfori ID: 050-001785-002

**Question:** 12.3 Is there satisfactory evidence of the auditee's required environmental permits and licences?

## ENGLISH

### Finding

PA 12.3- Through document review it was noted that the environmental clearance certificate (23-91505) was valid up to 7-Jan-24. The factory applied for renew on dated 16-Jan-24. As the factory applied for renew already, this is rated partially [In accordance with Bangladesh Environment Conservation Act (1995) Amendment Act (2010), Sec.12]