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| Monitored Party The Shoes Bangladesh Ltd | amfori ID 050-001339-000 | Address Srikhondia, Tongabari, Ashulia,, Savar, Dhaka, Bangladesh |
| Monitoring Activity amfori Social Audit - Manufacturing | Monitoring Type Full Monitoring | Monitoring Partner TÜV SÜD |
| Monitoring Start Date 20/11/2023 | Closing Meeting Finished Date 20/11/2023 | Submission Date 28/11/2023 |
| Expiration Date 28/11/2025 | Announcement Type Semi Announced | |
| Site The Shoes Bangladesh Ltd. | Site amfori ID 050-001339-002 | |

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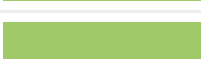
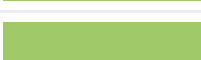
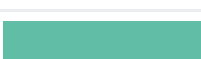
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OVERALL RATING



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, Violence or Harassment | A |  |
| 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, Forced Labour or Human Trafficking | A |  |
| PA 12: Protection of the Environment | A |  |
| PA 13: Ethical Business Behaviour | A |  |

GENERAL DESCRIPTION

Name of lead auditor: Fuara Sultana (CSCA 21703441).

Name of team auditor: Md. Tazul Islam (CSCA 21704592), Faisal Hossain (ASCA 21705139) and Tania Sultana (ASCA 21702536).

Name of observers, translators, trainees, advisors/consultants (if applicable): Nil.

Monitoring partner name: TÜV SÜD Bangladesh Pvt. Ltd.

Audit schedule details: This full audit is planned for 04 auditors in one day. 04 auditors on 20 November 2023, have verified the facility's operations as per amfori BSCI Code of Conduct and local legislation. Note, in this audit 4 auditors spent 3.5 man-days on-site, and 0.5 man-day assigned for offsite report purpose.

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

Business partner information: The Shoes Bangladesh Ltd. is a 100% export-oriented footwear items manufacturer located at Srikhondia, Ashulia, Savar Dhaka- 1341, Bangladesh. The facility has started its operation since 2020 at current location. The total structural area occupied by the facility is about 56,670 square feet. Production processes are Cutting, Printing, Embossing, Lamination, Sewing, Lasting, Finishing. The production capacity of the facility is 100,000 pieces per month. As per the management statement, the production activity level is medium round the year.

On 20 November 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 factory management Mr. Syed Mahmud Rubaiyat- Manager (Human Resource, Admin and Compliance), Mr. Md. Babul Hossain – General Manager (Production), Mr. Md. Zahid Hasan – Executive (Human Resource) was attended at the short opening meeting.

Right after the short opening meeting, the audit team went out for a site/plant visit with permission for photography and workers' interview from the management.

Audited location information: There is no other factory under same premise. Facility is the owner of the building and shed. No dormitory facility is available as this is not required by law. Canteen facility found non- functional during audit. The details building descriptions are as below.

Building 01 (04 storied with basement):

Basement: Fire pump

Ground floor: Security post, bonded warehouse, Generator room, Sub-station, childcare room, cutting section, emboss section, printing section, electrical room, doctor room, fire control room.

First floor: Office, electrical room, sewing section, needle room, sub store, maintenance store.

Second floor: Chemical store, sub store, Lasting and finishing section.

Third floor: Office, finished goods store, prayer room, Sample section, and 50% area vacant.

Roof top: 100% vacant and under construction.

Shed details:

Shed 01: Chemical store, lamination, dining, childcare.

After returning from the plant tour, the audit team did a detailed opening meeting to describe about amfori BSCI. On behalf of factory management, the same persons mentioned in the short opening meeting and Ms. Sharmin Akter – Vice president of Participation Committee was present in this detailed opening meeting.

Total of 26 employees were randomly selected for interviews. Payroll records were reviewed from November 2022 to October 2023, and among them payroll records and timecards for the month of October 2023 (recent paid month), July 2023 (random month) and January 2023 (random month) were reviewed in detail.

Operating shifts and hours:

- There is 01 general shift from 08:00 am to 05:00 pm for office staffs, production and supporting department including 01-hour Interval for rest or meal break provided from 01:00 pm to 02:00 pm. Friday is 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 Security Section, including 01-hour Interval for rest or meal in each shift. Weekly holiday provided as rotation basis.

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

Salary payment details: Wage is paid in monthly basis and the payment period is from 1st to 30/31st. 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 bank.

Worker number information:

- Total number of employees 669 (Males 301 and Females 368).
 - Total number of Production workers are 587 (Males 226 and Females 361).
 - Total management and non-production employees are 82 (Females 07 and Males 75 including 04 males from Management).
 - Total number of employees in the probation period is 256 (Males 164 and Females 92).
- All workers are hired directly. No pregnant, disabled, and migrant workers were found working in the facility.

Good practices: No such good practices were observed in the facility.

Worker organization details: The facility has no trade union. A worker's participation committee is available in the facility which formed by election process on 14 August 2023. There are 12 members in the committee among them 06 are workers members and 06 are management members.

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 5, PA 7, PA 12 and PA 13.

Auditors conducted the closing meeting on same date, after completion of the entire audit process. The same persons mentioned in the opening meeting attended the closing meeting with the worker's representative. Finally, Mr. Syed Mahmud Rubaiyat- Manager (Human Resource, Admin and Compliance) and Ms. Sharmin Akter- Vice President of Participation Committee signed the Findings Report after the end of the closing meeting.

The attitude of management and workers: The factory management was positive and extended their full cooperation throughout the audit. Further, they have agreed with the area of improvement identified during the audit. Through interviews with workers, it was noted that all workers are content with the factory. The relationship between management and the workers appeared to be cordial.

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

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

- Contractor license/permit.
- Agency labor contract.
- Government waivers.
- Collective bargaining agreements.

SITE DETAILS

Site

The Shoes Bangladesh Ltd.

Site amfori ID

050-001339-002

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Textiles, Apparel & Luxury Goods

Sub Industry

Footwear

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

| | | |
|---|--------|---------|
| Total workforce | 618 | Workers |
| Legal minimum wage in local currency | 7,100 | Monthly |
| Lowest wage paid for regular work at the site | 7,100 | Monthly |
| Calculated living wage in local currency | 19,255 | Monthly |
| Total sample | 26 | Workers |

Other Metrics

| | | |
|--|-----|---------|
| Male workers | 278 | Workers |
| Female workers | 340 | Workers |
| Non-binary workers | 0 | Workers |
| Permanent workers - Male | 137 | Workers |
| Permanent workers - Female | 276 | 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 | 4 | Workers |
| Management - Female | 0 | Workers |
| Management - Non-binary | 0 | Workers |
| Apprentices - Male | 0 | Workers |
| Apprentices - Female | 0 | Workers |
| Apprentices - Non-binary | 0 | Workers |
| Workers on probation - Male | 164 | Workers |
| Workers on probation - Female | 92 | Workers |
| Workers on probation - Non-binary | 0 | Workers |
| Workers with night shift - Male | 3 | 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 | 301 | Workers |
| Workers hired directly - Female | 368 | 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 | 12 | Workers |
| Sample - Female | 14 | Workers |
| Sample - Non-binary | 0 | Workers |

FINDINGS



PA1: Social Management System

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

According to the site visit, documents review, and interview, it was noted that some area of improvement 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 has a good understanding on amfori BSCI requirements and it's significance, so partial rating given to this checkpoint.

Question: 1.3 Is there satisfactory evidence that the auditee has identified their significant business partners and their level of alignment with the amfori BSCI Code of Conduct?

ENGLISH

Finding

According to the document review, worker & management interview, it was noted that the auditee has identified its significant business partners and shared amfori BSCI CoC with them. However, the auditee did not share grievance procedures with 03 out of 06 significant business partners that define a grievance system of receiving, solving, and record keeping for the business partner's complaint if any. [Ref: amfori BSCI Code of Conduct]

As the auditee has shared amfori BSCI CoC and monitored social performances of their significant business partners, so partial rating is given to this checkpoint.



PA 2: Workers Involvement and Protection

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

According to the document review and management & workers interview, it was noted that there is long-term goal of the facility by which it will reflect a step-by-step approach toward sustainable improvement, but all the performance area was not covered like "Workers Involvement and Protection" and "Social Management System". Further, the auditee did not involve workers & worker's representative during defining these goals. [Ref: amfori BSCI Code of Conduct]
As the auditee has developed mission, vision, and goal, so the question was rated partially.

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

According to the document review and management & workers interview, it was noted that 10 out of 26 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 sampled workers were aware about the BSCI code and facility provides training on the same to the workers, so the question was rated partially.

PA 5: Fair Remuneration

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

Based on document review and interview, it was noted that the facility management has understanding on living wage, and they have estimated the living standard in the region calculating their living wage to determine a potential gap between present local minimum wage & living wage. However, no action plan in place to fill the gaps as per amfori BSCI COC. Note that living wages of the region is BDT 19,255 as per Global Living Wage Coalition (GLWC). [Ref: amfori BSCI Code of Conduct]

As facility management has understanding on living wage and also calculated the same, so the question rated partially.

PA 7: Occupational Health and Safety

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

ENGLISH

Finding

According to the site visit, documents review, management, and worker interview, it was noted that
a) 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]

b) the auditee has provided a childcare room for the use of children under the age of six years of such women. However, the childcare room was found not well equipped as per law as one suitable cot or cradle beds were not provided in the childcare room. Further, the auditee did not recruit any trained or experienced governess to take care of children and infants. Note that currently, no children were found in

Finding

the childcare room during audit day. [Ref: Bangladesh Labour Law, 2006, Chapter-8, Section-94]

c) the auditee did not appoint a trained safety officer to ensure the preservation and maintenance of all fire-fighting equipment's and keeping them fit and arranging trainings for firefighters. [Ref: Bangladesh Labour Rules, 2015, Chapter-6, Section-55 (12), Amendment 2022, Section: 20]

As the auditee has developed a policy on occupational health and safety, so partial rating is given to this checkpoint.

Question: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH

Finding

According to the site visit, document review, and management & workers interview, it was noted that the auditee has assessed the occupational health & safety risks of the production processes, workplaces, vulnerable workers, transmittable & non-transmittable diseases, chemicals, fire safety, etc. However, the main gate with main road, construction work, rooftop, all production machines, staircase, cargo lift, and ergonomic risks for long-seating & long-time standing workers are yet to be covered in the occupational health & safety risks assessment. [Ref: amfori BSCI Code of Conduct]

As the auditee has assessed the occupational health & safety risks in most of the areas and involved safety committee members during occupational health & safety risks assessment, so partial rating is given to this checkpoint.

Question: 7.4 Is there satisfactory evidence of active cooperation between management and workers (and/or their representatives) when developing and implementing systems towards ensuring OHS?

ENGLISH

Finding

According to document review and management & workers interviews, it was noted that the safety committee validity was found expired on 17 April 2023. Further, the auditee did not arrange regular meetings with safety committee members within 03 months period as per law prescribed. [Ref: Bangladesh Labour Rules, 2015, Chapter-8, Section-83]

As the auditee has a safety committee & members of the safety committee were found well aware about their roles & responsibilities, so partial rating is given to this checkpoint.

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

According to the document review and management & workers interviews, it was noted that the auditee did not ensure adequately trained firefighters in the facility. Total of 40 trained firefighters were found in the facility instead of 120. Note that currently, total of 669 employees are working the factory. Further, 03 out of

Finding

05 interviewed firefighter were found less aware on firefighting equipment and their roles & responsibilities. [Ref: Bangladesh Labour Rules 2015, Rule 55]
As the regular fire drills are conducted in the facility & firefighters were found aware on firefighting equipment, firefighting procedures, and their roles & responsibilities, so partial rating is given to this checkpoint.

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

According to the site visit, documents review, management, and worker interview, it was noted that a) lasting & gluing section workers were found not using recommended PPE as per chemical MSDS e.g., masks, hand gloves during working located on 2nd floor & 1st floor of building 01. b) around 15% of long-time standing workers were not using foot mats while working on the production floors. c) 02 out of 02 roughing machine operators were found working without hand gloves on the ground floor of building 01. [Ref: Bangladesh Labor Rules 2015, rule 67(2)].
As other workers were found using proper PPE while working on the production floors, so partial rating is given to this checkpoint.

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

According to the site visit, documents review, management, and worker interview, it was noted that machine oil & liquid base chemical containers were kept without secondary containment, MSDS, and proper labeling in the maintenance room on the 1st floor and lasting & gluing sections on 2nd floor of building 01 respectively. [Ref: amfori BSCI Code of Conduct]
As other chemical drums & containers were found with secondary containment, so partial rating is given to this checkpoint.

Question: 7.9 Is there satisfactory evidence that the auditee makes visible potential hazards to the workers and visitors through signs and warnings?

ENGLISH

Finding

According to the site visit, documents review, management, and worker interview, it was noted that a) the auditee has kept goods in excessive heights without posting any caution sign (fallen objects) in the bonded warehouse located on the ground floor of building 01.
b) Side wall on the rooftop was found under construction process. However, the auditee did not post any caution signs to aware relevant employees regarding potential hazard types which may pose accident or

Finding

injuries.[Ref: amfori BSCI coc]

As other areas like electrical distribution boards, exhaust fans, etc were found with warning/cautions signs, so partial rating is given to this checkpoint.

Question: 7.11 Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

ENGLISH

Finding

According to the site visit, documents review, and management interview, it was noted that

a) the auditee has obtained approved building construction plan from the Union Parishad instead of respective authority. Further, childcare room, workers dining, canteen, lamination section, and chemical store which are in shed 01 were found missing in the approved building construction plan. However, the auditee has applied to the respective authority on October 31, 2023, but not been received yet till the audit date. [Ref: Building Construction Act 1952, Section 3]

b) the auditee has obtained approved factory layout plan from the respective authority. However, the lamination section, workers dining, canteen, and chemical store which are in shed 01 were not included in the approved factory layout plan. Further, the auditee did not apply to obtain updated factory layout plan to the respective authority till audit day. [Ref: Bangladesh Labor Rules 2015, rule-15]

As the auditee maintained all other updated licenses and permissions as per requirement and also took floor layout & building construction approval from the respective authority, so partial rating is given to this checkpoint.

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

According to the site visit, documents review, and management interview, it was noted that,

a) around 20% of finger safety guards were found in displaced conditioned in the post bed sewing machines section on 1st floor of building 01. Note that total 102 post bed sewing machines are using in the sewing section b) 04 out of 07 finger safety guards were found missing in the hammering machines located on 1st floor of building 01. c) 04 out of 04 eye safety guards were found missing in the bartek machines on the 1st floor of building 01. [Ref: Bangladesh Labor Law 2006, Section 63(1) D].

As other machines safety guards were found in proper conditioned, so partial rating is given to this checkpoint.

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

According to the document review and management & workers interviews, it was noted that auditee has

Finding

developed a procedure in writing to deal with trauma and serious illness. However, responsible employees have inadequate knowledge about that. [Ref: amfori BSCI Code of Conduct]
As the auditee has developed trauma or serious illness procedures, so partial rating is given to this checkpoint.

Question: 7.21 Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH

Finding

According to the site visit and management & workers interviews, it was noted that the auditee has not ensured sufficient seating capacity in the worker's dining area. Currently, total seating capacity was found 72 instead of 167. Note that total employees are in the facility is 669. Further, though the auditee has provided a canteen area on the factory premises, but canteen was found non-functional during audit day. [Ref: Bangladesh Labor Rules, 2015, Chapter-8, Section- 92 & 87]
As the auditee has provided a worker's dining and canteen area on the factory premises, so partial rating is given to this checkpoint.

PA 12: Protection of the Environment

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

According to the site visit, document review, and management & workers interviews, it was noted that a) the auditee has not conducted any risk assessment on water waste reduction. b) no awareness training has been provided yet to employees. [Ref: amfori BSCI Code of Conduct]
As the auditee has auditee has developed the environment policy, so partial rating is given to this checkpoint.

PA 13: Ethical Business Behaviour

Site: The Shoes Bangladesh Ltd. | Site amfori ID: 050-001339-002

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

According to the document review, site visit and management & workers interviews, it was noted that the

Finding

auditee did not identify the potential areas of corruption and possible solutions to mitigate anti-corruption issues. [Ref: amfori BSCI Code of Conduct]

As the auditee developed the anti-corruption policy & has reward system to maintain ethical behavior, so partial rating is given to this checkpoint.