

# Monitoring result for Neo Fashion Ltd. on site NEO Fashion Ltd.

## Monitoring

Monitored Party	: Neo Fashion Ltd.
amfori ID	: 050-000914-000
Site	: NEO Fashion Ltd.
Site amfori ID	: 050-000914-002
Address	: Vorari, RajfulBaria, Savar, : 1340, Dhaka -1340 : Dhaka : Bangladesh
Monitoring Activity	: amfori Social Audit - Manufacturing
Monitoring Type	: Full Monitoring
Submission Date	: 24/01/2022
Expiration Date	: 24/01/2024

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## Overall rating



## Section rating

PA1: Social Management System	B
PA 2: Workers Involvement and Protection	A
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	C
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

As requested by amfori BSCI member, TUV SUD Bangladesh (Pvt.) Ltd. has conducted a full monitoring at Neo Fashion Ltd. The facility is a 100 % export-oriented apparels manufacturing company located at Vorari, RajfulBaria, Savar, Dhaka-1340, Bangladesh. The facility has started its operation in 2010 at current location. The product manufactured by the factory is Woven items. The total floor area occupied by the factory is about is 149,291.81 square feet and total production area used by the factory is 64,584.95 square feet . The production capacity of the facility is 380,000 pieces per month. And the manufacturing processes are Cutting> Sewing > Finishing (Iron to Pack).

Apart from the audited factory, there are another two factories located in the same premises which run under same owner and management, but different business license and legal entities. The concerned factories are Vertex Wear Ltd., Dress World Ltd. Audit scope was only the area is occupied by "Neo Fashion Ltd." and combined facilities.

Currently there were total 16 buildings and 03 sheds in the premises. Detail description given in below:

Building 01 (One storied with four-layer racks): Combinedly used as distribution area, Fabric store area, lab, inspection room and dice cutting section and inspection room. 4-layer rack is used as accessories store, general items and finished goods store.

Building 02 (02 storied): Common for all factories which used as reception, Security guard room and childcare center, medical room. Building 03 (02 storied and under construction): Planned for common utility building.

Building 04 (07 storied): Ground floor used combinedly as general store, dehumidifier room, chemical store, fair price shop, inspection room, fire control room, auditorium, merchandising office, sample display room, conference room, office room, higher management dining, recreation room and running goods keeping area. 1st floor is used by Vertex Wear Ltd. 2nd floor is used by Dress world Ltd. 3rd floor is combinedly used by all factories as sample and cutting section, Computer Aided Design (CAD) and pattern room, fusing, pressing section, bend knife section, office, IT and display room. 4th floor is occupied by audited factory and used as sewing, finishing and packing section, maintenance room, spot removing room, wash garments waiting room, needle control room, boiler room and office. 5th floor is used by Vertex Wear Ltd. and Skills Development Center (Common). And 6th floor is used combinedly by all factories as dining, canteen, and prayer room. Rooftop: around 20% is solar panel and rest of the area is open space. Building 05 and 06 (under construction) are planned to use as Washing plant and ETP (Effluent treatment plant). Building 07 (single storied) used commonly as WTP (Water treatment plant). Building 08 (02 storied) used as generator, boiler and compressor room. Building 09, 10 and 11 (under construction) planned to use as substation room, workshop and Substation-01 consecutively. Building 12 (01 storied) used as diesel tank. Building 13 (01 storied) used as fire pump room. Building 14, 15 & 16 (01 storied) used as RMS room and security post. Shed 01 (under construction) proposed as wastage store. Shed 02 and 03 is used as security guard post. Beside these there was an underground diesel keeping store used commonly by all sister concern factories.

The facility has one regular shift from 08:00 am to 05:00 pm with one-hour meal break from 01:00 pm to 02:00 pm from 1st to 15th calendar days and from 01:30 pm to 02:30 pm from 16th to 30th /31st calendar days. In addition, security sections work activity is carried out in 05 shifts: from 06:00 am to 02:00 pm; 07:00 am to 04:00 pm; 08:00 am to 05:00 pm, 01:pm to 09:00 pm and 10:00 pm to 06:00 am (with 01-hour meal break by rotation). Normal working days are from Saturday to Thursday. Generally, Friday is declared as weekend. Facility management has installed software generated electronic record keeping system to record workers in and out time. Workers are being paid monthly in though mobile banking. As per management statement, facility has no peak off peak season in terms of intensity of production rather round the year same.

Audit Process: 03 Auditors named Jutan Chandra Debnath-Lead Auditor (APSCA Number - RA 21701233) and Md. Tazul Islam - Member Auditor (APSCA Number- RA 21704592) and Umme Hunny Tabassum (APSCA Number – ASCA 21705348) on January 09 2022 (day-1) and Jutan Chandra Debnath- Lead Auditor (APSCA Number - RA 21701233), and Umme Hunny Tabassum - Member Auditor (APSCA Number- ASCA 21705348) on January 10 2022 (day-2) assessed / verified the factory's operations against the amfori BSCI code of conduct (BSCI Version 2.0) and local legislations on a sampling basis during audit.

On January 09, 2022, auditors entered the facility and short opening meeting was conducted with the management to introduce audit team and describe audit process. On behalf of factory management Mr. Abdullah Al Mamun- General Manager- Human Resource and Admin, Ms. Salatunnasa Keya- Manger-Human Resource and Compliance, Mr. Nazmul Mollah-Assistant Manager-Human Resource and Compliance, Mr. Shaymal Kumar Sarker- Deputy General Manager- Admin and Compliance and MS. Rexsona Akter Shanta– Welfare Officer were present at the short opening meeting.

Right after the short opening meeting, audit team went out for a site/plant visit with permission for photography and workers interview from the management. The management team permitted to carry out the whole process as per the amfori BSCI requirements. The auditors also took interview of workers. In total, auditors selected 37 employees randomly for interview.

Post to these processes, Audit team did a detail opening meeting with the facility management. The same person attended in short opening meeting from management side with a workers representative Mr. Apurva Mondal – Vice President of Participation Committee were present in the detail opening meeting. After that, auditors started to carry out document verification, management and legal compliance status review, amfori BSCI general requirements verification, wage calculation, environmental aspects check, overtime payment verification, working hours verification, environmental impact assessment and risk assessment for occupational health and safety of the workers and other information collection as per the audit plan. 37 attendance/time records and salary sheets of the selected employees from the month period of December 2021 (most recent month), August 2021 (random month) and March 2021 (random month). The management team permitted to carry out the whole process as per the amfori BSCI requirement.

Auditor conducted the closing meeting on January 10, 2022 after completion of entire audit process (site tour, interview with the workers and management interview, document review). The same persons mentioned in detailed opening meeting were attended in the closing meeting management. Finally, Mr. Abdullah Al Mamun- General Manager- Human resource and Admin and Apurva Mondal - Vice President of Participation Committee has signed the Findings Report after end of the closing meeting. The facility management was receptive, positive and extended their full cooperation throughout the audit. Further, they have agreed with the non-compliance issues identified during audit.

Note: The below documents are not applicable for this facility:

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

## Site Details

Site : NEO Fashion Ltd.

Site amfori ID : 050-000914-002

### GICS Classification

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Sector : Consumer Discretionary

Industry Group : Consumer Durables & Apparel

Industry : Textiles, Apparel & Luxury Goods

Sub Industry : Apparel, Accessories & Luxury Goods

### amfori Process Classifications

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N.A.

### NACE Classification

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N.A.

### GS1 Classifications

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N.A.

### Water Stress Situation

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N.A.

## Metrics

### Key Metrics

Total workforce	1221 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	17926 Monthly
Total sample	37 Workers

### Other Metrics

Male workers	450 Workers
Female workers	771 Workers
Permanent workers - Male	387 Workers
Permanent workers - Female	539 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	5 Workers
Management - Female	1 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	119 Workers
Workers on probation - Female	266 Workers
Workers with night shift - Male	6 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	511 Workers
Workers hired directly - Female	806 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	3 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	2 Workers
Sample - Male	20 Workers
Sample - Female	17 Workers

## Findings

### PA1: Social Management System

It was noted that facility management has developed most of the areas but still some areas of improvement are identified under different Performance Areas, which is the evidence of gaps in the overall management system against amfori BSCI COC requirements.

### PA 2: Workers Involvement and Protection

It was noted that 11 out of 37 sampled workers of the facility were found less aware about the requirements of amfori BSCI Code of Conduct. However, facility management has provided training to the workers on amfori BSCI Code of Conduct.

### PA 4: No Discrimination

It was noted that facility management did not conduct any internal assessment on the most common ground or common areas inside the factory where discrimination may arise.

It was noted that 10 out of 37 sampled workers of the facility was found less aware about the disciplinary procedures of the facility.

### PA 5: Fair Remuneration

It was noted that facility management has 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 17,926 as per Global Living Wage Coalition (GLWC) but it has not been ensured for the workers.

### PA 7: Occupational Health and Safety

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.

It was noted that facility did not carry out the risk assessment at drinking water point, spot removing room, fire control panel room and Power Distribution Board.

It was noted that, facility management keeping records of occupational injuries occurred in facility, and root cause analysis has been carried out to define the corrective action and preventive action. However, no information was available of monetary value of the lost time.

It was noted that safety mat was found missing under 02 randomly checked Electric Distribution Board (DB) in 4th floor of building 4. However, safety mat was found under all others randomly checked distribution boards in the premises. [Ref: Bangladesh Labor Rules 2015, Rule 58(1)]

It was noted that needle guard was found displaced in 15 out of randomly checked 100 plain sewing machines. Besides, eye safety guards were found displaced in 5 out of randomly checked 30 overlock and button attach machines. [Ref: Bangladesh Labor Act 2006, section 63(1d-iii)]

It was noted that facility management has introduced a procedure in writing to deal with trauma and serious illness. However, randomly interviewed 02 out 05 first aiders had inadequate knowledge about that.

### PA 11: No Bonded Labour

It was noted that 10 out of 37 sampled workers of the facility was found less aware about the disciplinary procedures of the facility.