



Faculty of Engineering

Department of Textile Engineering

“Compliance Issues of Garments Industry-A Study on BSCI
Audit Reports”

Course code: TE-4214 Course title: Project (Thesis)

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A thesis submitted in partial fulfillment of the requirements for the degree of **Bachelor
of Science in Textile Engineering**

Advance in Apparel Manufacturing Technology,

August, 2018

Letter of Approval

July 29, 2018

To

The Head

Department of Textile Engineering

Daffodil International University

102, Shukrabad, Mirpur Road, Dhaka 1207

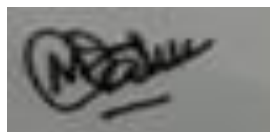
Subject: Approval of Project Report of B.Sc. in TE Program

Dear Sir

I am just writing to let you know that this project report titled as “**Compliance Issues of Garments Industry-A Study on BSCI Audit Reports**” has been prepared by the student bearing **ID 153-23-4502, &153-23-4489** is completed for final evaluation. The whole report is prepared based on the proper investigation and interruption through critical analysis of empirical data with required belongings. The students were directly involved in their project activities and the report become vital to spark of many valuable information for the readers.

Therefore it will highly be appreciated if you kindly accept this project report and consider it for final evaluation.

Yours Sincerely



Md. Mominur Rahman
Assistant professor
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Acknowledgement

At first, we express our heartiest thanks and gratefulness to almighty Allah for His divine blessing makes me possible to complete this project successfully. Our project on “Compliance Issues of Garments Industry-A study on BSCI Audit Reports”. We fall grateful to and wish our profound indebtedness to Md. Mominur Rahman, Assistant professor, Department of Textile Engineering, Daffodil International University, Dhaka. Deep Knowledge & keen interest of our supervisor in the field of apparel influenced carry out this project. His endless patience, scholarly guidance, continual encouragement, constant and energetic supervision, constructive criticism, valuable advice, reading many inferior draft and correcting them at all stage have made it possible to complete this project.

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Finally, We must acknowledge with due respect the constant support and patients of our parents.

All pleasure goes to the Almighty Allah to gives us strength and ability to complete the thesis (project) and this report.

DECLARATION

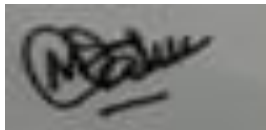
We hereby declare that the work which is being presented in this thesis entitled, “**Compliance Issues of Garments Industry-A Study on BSCI Audit Reports**” is original work of us, has not been presented for a degree of any other university and all the resource of materials uses for this thesis have been duly acknowledged.

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This is to certify that the above declaration made by the candidate is correct to the best of my knowledge.

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Abstract

Bangladesh's export earnings come from more than 76 percent of the garment industry. It plays a big role in the national economy. So there are many maintenance requirements in this sector. In RMG factories, lower literacy levels, wage discrimination, irregular payments and short term agreements are very common in Bangladesh. Many organizations are working to earn workers rights .they are Social Responsibility International (SAI) - SA8000, Ethical Trading Initiative (ETI),Fair Labor Association (FLA),Fair Wire Foundation (FWF). They are trying to get the rights of the workers. We have reviewed various factories and worked on the BSCI report.

Chapter-01

Introduction

1.1 Introduction

RMG Industries is the main export industry of Bangladesh and a major source of foreign exchange in the last 20 years .More than 76% foreign currency earn from RMG. There are more than 4 million people in work, mostly women. Most of the garment workers are less educated. They have a limited knowledge about human rights, labor standards and working conditions. In spite of the great success of the factories, poor people are seen and. Social absence is important because of which 2006 workers' discontent arises. As a result, there is a growing fear in Bangladesh that the demand for ready-made garments could fall. Social compliance in the RMG industry is a key requirement for most of the world's garments buyers. It ensures labor rights, labor standards, fair labor practices and a Code of Conduct. Social compliance is not only key requirements for world's garments buyer but also want to quality product. So they give some code of conduct to the RMG industry for factories compliance and product development.

1.2. Specific objectives

The specific goals of research are as follows:

- To know about the BSCI audit
- To identify the benefits the workers by this audit.
- According to the Government of Bangladesh, to study the rules and disciplines of ready-made garments.

Chapter-02

Literature Survey

2. Literature Survey

Many researchers searched in Bangladesh in the garment industry. In fact, the conditions of work in the RMG sector do not meet the standards of low quality and ILO standards. Labor standards and rights are generally ignored in RMG factories in Bangladesh: poor practices due to lack of trade unions, informal recruitment, and irregular payments, casual wear, wage discrimination, excessive work and child labor. Workers in the workplace accidents, fire and panic stamps are also suffering from various diseases due to unhealthy environments and many workers die. Misuse of a proper method has been a concern in the RMG sector to ensure the enforcement of existing laws for the protection of workers' rights and the development of workplace safety. As the sector is an important foreign exchange earning component, some changes are required. Recruitment policies are highly formal and do not have a written formal agreement and appointment letters compared to the Western criteria. They are unlikely to lose their jobs at any time. However, the fear of losing their jobs and lack of alternative workforce forced the employees to continue unsatisfactory employment (Bonsari, 2010)

2.1 Compliance

According to the relevant federal or regional authorities and their requirements the state is in place. Regarding financial services, the most important compliance rules come from the Securities and Exchange Commission. Most senior financial services companies' consent groups, whose role is to take an individual step to ensure that the company follows all the necessary rules and regulations. The major problem in Bangladesh are natural disasters, scarce resources, over-population and the poverty which this causes. 50 percent of people live below the poverty line.

The activities of the GTZ focus on the following three priority areas:

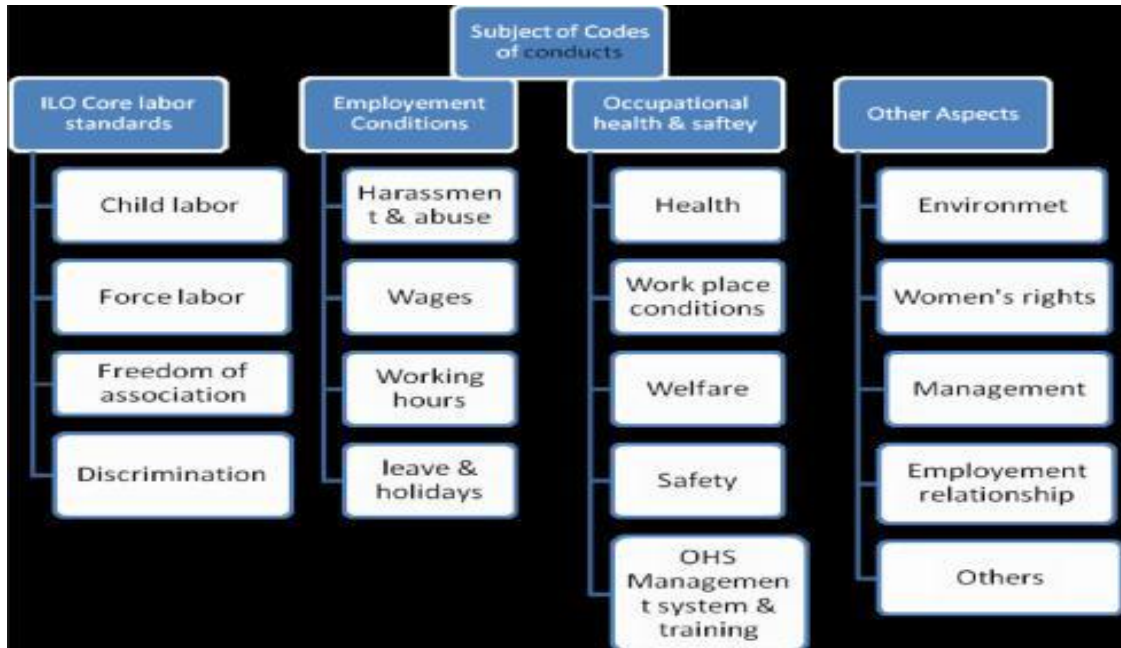
- Workers' health care
- Democracy, human rights participation and good governance
- Energy and energy efficiency

“Compliance means to comply with something or yield to the wishes of another. Compliance ensures all labor rights and facilities according to the buyer code of conduct. The aim of compliance is to maintain strictly the labor law”.

2.1.1 Compliance in Bangladeshi RMG

In addition to the rapid supply, the social level of RMG industry is attracting consumers, social workers, welfare organizations and brand names from international buyers. Currently, many international buyers are demanding their "Code of Conduct" before ordering them in their Clothing Act. Approximate recruitment in RMG factories, lower literacy levels, wage discrimination, irregular payments and short term agreements are very common in Bangladesh. It is true that the country still enjoys some comparative advantage over the production of clothing production based on low labor costs. Other factories in the factory factories in the factories of the garment factories, narrow stairs, low roofs, closed environments, absence of launch chamber, lack of clean water, and absence of separate rooms for separate toilets or women workers. To be competitive in the global market, Bangladesh RMG firms have to deal with this problem.

2.1.2 Code of Conducts of Compliance in RMG



2.1.3 Importance of compliance in RMG Sector :

International clothing trade is very competitive. Consumers' priority for rising competition lighting and products among RMG exporting countries, which meets internationally recognized social standards, Bangladeshi RMG suppliers are required to develop social order in their factories. Ready Made Garments (RMG) is the most profitable sector in Bangladesh and it is essential and strictly followed in relation to productivity and quality improvement to survive in the global market.

2.1.4 Advantages of compliance in RMG

- ✓ The product gets high prices,
- ✓ Labor is free from instability,
- ✓ Reduce worker turnover rate,
- ✓ Enhanced worker morality,
- ✓ product quality.
- ✓ Increased productivity.

2.2 Compliance by different world recognized organization

2.2.1 Social Codes of Conduct in the RMG Industry:

As a response to consumer pressure and as part of a wide marketing strategy to improve their image, the rules of social behavior are the rules and the guidelines imposed by the buyers on themselves and their supply chains. According to the Bangladesh Labor Laws and Environmental Law, the social and environmental standards set forth in accordance with the minimum standards which the manufacturers of Bangladesh must abide by. On the contrary, it is usually to comply with the general rules, which are usually voluntary, which have higher standards than the standards set by the laws of Bangladesh. The status of the social acceptance of the Bangladesh RMG industry refers to the extent to which the labor law and / or any other customer-specific code delivery or voluntary certification scheme meets the requirements. The current social adjustment of the industry is not satisfactory, There is an immediate need to improve the situation.

2.2.2 Ensuring Proper Application of Codes of Conduct

Implementation of the Bangladesh Labor Act 2006 (BLL 2006) Billa 2006 is mainly operated by the Ministry of Labor and Employment (MOL) factory inspectors and the social consent monitor of BGMEA and BKMEA. Besides BGMEA and BKMEA Monitor factories inspection and inspection, they provide Advisory support for factory workers so that they are able to implement necessary, correct steps such as in BLL-2006.

2.2.3 Voluntary Codes of Conduct

Most of the voluntary codes used by the RMG sector include them:

- Social Responsibility International (SAI) - SA8000
- Ethical Trading Initiative (ETI).
- Fair Labor Association (FLA).
- Fair Wire Foundation (FWF)

2.2.4 The Business Social Compliance Initiative (BSCI)

According to the ILO Conventions, United Nations Universal Declaration of Human Rights, UN Conventions on Child Rights and the Compromise of Global Compact and Multinational Enterprises and OECD Guidelines and other relevant internationally recognized agreements, the BSCI Code of Identity, with respect to specific social and environmental standards to eliminate discrimination against women Aims to achieve. The BSCI signed the code of companies, acknowledging the benefits of their impact, acknowledging the social and environmental standards given in this code, and taking appropriate action according to their company's policies for implementation and compliance .The supplier companies must also ensure that the conduct of the subcontractors associated with processing process of the final production stage conducted by the BSCI members is also observed.

2.2.5 Worldwide Responsible Apparel Production (WRAP)

Compliance with Regulations of Law and Work Regulations .All the facilities where they will comply with business management laws and regulations.The use of compulsory labor will not prohibit unprofessional or forced labor. Child labor benefits are prohibited under the age of 14 or for employment, the minimum age established by the law, any more, or any employee whose employment will be interfered with compulsory school. Working hours work every day, and work every week in the week, the law should not exceed the limits of the law, without meeting the requirements of a fair trade, will be closed for at least one day within seven days. Discrimination restrictions are based on personal characteristics or beliefs, rather than employment, salary, promotion and abandonment of employees on the basis of job opportunities. Health and safety benefits provide a safe and healthy working environment. Where residential housing is provided for the workers, the benefits will be safe and healthy housing. Environmental benefits will comply with applicable environmental regulations, regulations and standards in their programs and will visit environmental conscious practices in the areas where they work. Security benefits will maintain security for protection against out-of-arrival (eg, explosive and drugs / or other prohibited) shipping of non-manifested cargo.

2.2.6. Why ETI is need?

The 'doing' ethical business is much harder than it sounds. The modern supply chain is huge, complex and globally wide. Challenging labor matters themselves For example, 'living wages' are right? If a child is found while working at a supplier's workplace, should a company? Can expel children from workplaces, inversely, can make their lives worse ETI combines corporate, trade union and voluntary sector members together with a unique alliance that is able to deal with various jackfruit issues which do not work alone than individual companies.

2.2.6.2 ETI Code of Conduct

i. Employment is freely chosen:

There is no forced, bond or unintended prison labor. The workers are not free to file "deposits" or their identities with their depositor and to leave their employer after a reasonable notice.

ii. Working conditions are safe and hygienic:

The existing knowledge of the industry and any specific dangers, will provide a safe and healthy environmental environment. Appropriate measures will be taken to prevent accidents and injuries in the workplace and infections of infected healthcare, as far as reasonably possible, the causes of risks in the work environment. The workers will get regular and recorded health and safety training and this type of training will be repeated for new or recruited worker. Housing will be provided where it is provided, clean, safe and meet the basic needs of the workers.

iii. **Child labor shall not use:**

- No new recruitment of child labor
- Children below 18 years of age and young people will not be hired or hazardous.
- Working hours are not excessive. During the working time, the National Law and Benchmark Industry standard. Which provides greater protection.

2.2.7 SAI (Social Accountability International)

It is based on the rules of the ILO, the United Nations and National Law, and the industry and corporate code has been spanned to create a common language for measuring social governance. It will take steps to ensure structures and processes adopt a system of management procedures to ensure consistent review of the compliance with the criteria. Attempts to comply with SA8000 govern policies and procedures that protect the basic human rights of workers.

There are some component in the SA8000 Standard:

- Child Labor
- Forced & Compulsory Labor
- Health & Safety
- Freedom of Association & Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration

2.2.7.1 SA8000 Code of Conduct

i. Child Labor: There is no support or support for child labor use; Policies and written procedures for the rehabilitation of children working in conditions; Providing adequate financial and other assistance for such children to go to school; And conditionally young workers' employment is conditional.

ii. Forced and Compulsory Labor : Any use or support for forced or compulsory labor; Any necessary 'deposit' - financial or otherwise; Do not cancel compulsory wages, benefits, property or documents to carry out the work of employees; The right to leave the court after the working day; Employees end their employment; And there is no use or support for human trafficking.

iii. Health and Safety: Deploy senior manager to ensure OSH. OSH Instruct all workers, Provide personal protection treatment when hit. Expected mother will take the necessary measures to reduce the risk. Healthy toilets and food water supply.

IV. Freedom of Association and Right to Collective Bargaining: Honor the right to jointly associate the structure and contract of trade union. All employees are free: organized by their trade union; and jointly deal with their employer. . A company should .The right to organize union and trade organizations; Do not interfere between workers' association or collective bargaining; Know this freedom of employees and freedom from revenge; Where law regulates the rights, allowing workers to freely choose their representatives; There is no discrimination against workers employed in the organization; And ensure the access to workers' staff at the workplace.

v. Discrimination: There is no discrimination in training access, promotion, termination, recruitment, remuneration, and retirement. Do not interfere in exercising or exercising staff practice Threatening, abusive, repressive, ban on the workplace or company's beneficial behavior; Under no circumstance no pregnancy or virginity test.

vi. Disciplinary Practices: Deal with employees with respect and dignity. Physical tolerance is zero tolerance, mental or physical abuse of employees; No strict or inhuman treatment.

vii. Working Hours: Law and industry standards; Normal work , not overtime, will not be more than 48 hours; After a few days, after 6 working days, 1 day is closed; Overtime is not voluntary, not regular, 12 hours per week; Discuss with CBA only need extra time

viii. Management Systems: To achieve and maintain certification, the most comprehensive advantages are to go beyond simple compliance to integrate the standard of their management and practice.

2.2.8 Bangladesh Labor Law:

History:

Labor law in Bangladesh was hundreds of years ago. In 1881, during the British rule, the first Labor Act was enacted in the Indian subcontinent. Subsequently, the British Government introduced various labor laws, such as children's employment, working hours, maternity benefits, trade union activities, wages

Later by the Pakistani government change some laws in 1947. It has further enacted legislation as a response to the working class and the changed circumstances and

requirements of the country. In 2006, the country accepted the Revised Bangladesh Labor Act 2006 or BLL.

2.2.8.1 BLL in Relation with ILO

In the original Convention of ILO, Bangladesh has approved the following International Labor Department (IELC):

>ICL 29 (Forced labor).

>ILC87 (freedom of association and protection of the right to organize).

>ILC 98 (right to organize and collective bargaining

>ILC100 (Equal Remuneration),

>ILC 105 (abolition of forced labor).

>ILC 111(discrimination in employment and occupation)

>ILC182(elimination of the worst forms of child labor)

The only original convention approved by Bangladesh is the ILC 138 However the BLA ensures that the minimum age works 14.

2.2.8.2 The main feature of BLL

(A). Employment standards

(B). The Employer’s Role

(C). Occupational safety and health

(D). Welfare and social protection

(E). Workers’ Welfare Fund for its workers

(F)Labor relations and social dialogue

(G). Enforcement

2.2.8.3 Recent Recommendations to BLL

- The cabinet on 13th May, 2013 (Monday) cleared amendments to the Labor Act draft making ‘Group Insurance’ mandatory for workers in industries.
- The law will be applicable for any institutions employing a minimum of 100 workers.
- Prime Minister Sheikh Hasina chaired the cabinet meeting that cleared the amended Bangladesh Labor Act , 2013.
- Factory owners will pay workers’ insurance premium on his own initiative. If, a worker dies, then his/her spouse’s claim will be collected by the owners and passed on.
- This law also includes processing of insurance claims within 90 days.

Chapter-03

BSCI AUDIT DETAILS

3.1 Textile Industry Summary& Audit’s background

information: Audit's name , Local Name, Address, Province , City, Region, Country, GPS coordinates , Sector , Industry , If other, please specify , Product Group ,Legal status.

3.1.1 Textile Industry 1 :

Auditee's name :	Crystal Composite Limited	Legal status	Private Limited Company
Local Name :	ক্রিস্টাল কম্পোজিট লিমিটেড	Year in which the auditee was founded :	2009
Address :	Boro Khajur Bagan, Ashulia, Savar,	Contact person (please select) :	Mr. Md. Bulbul Hossain
Province :	Dhaka	Contact's Email :	compliance@crystalgroupbd.com
City :	Dhaka	Auditee's official language(s) for written communications	Bengali (Local Language)
Region :	South Asia	Other relevant languages for the	English
Country :	Bangladesh	Website of auditee (if applicable) :	www.crystalgroupbd.com
GPS coordinates :	Latitude: 23.889819 Longitude: 90.321922	Total turnover (in Euros) :	9411764.70
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :	Not applicable	Production volume :	600000 pcs/month
Product Group	Apparel	Production cost calculation :	Yes
If other, please specify	Not applicable	Lost time injury calculation cost :	No

Audit's employment structure at the time of the audit:

Total number of workers: 1167	Total number of workers in the production unit to be monitored (if applicable) :0	
	MALE WORKERS	FEMALE WORKERS
Permanent workers	408	759
Temporary workers	0	0
In management positions	13	1
Apprentices	0	0
On probation	150	279
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	408	759
Production based workers	0	0
With shifts at night	67	0
Unionised	0	0
Pregnant		0
On maternity leave		0

- ❖ Total workers 1167 .There are no temporary worker. Number of worker 759 is female& 408 is male worker .

Rating Definitions:

Rating	A combination of ratings per performance area where:	Consequence
A OUTSTANDING	<ul style="list-style-type: none"> o Minimum 7 performance area rated A o No Performance area rated C, D or E <p>These are three examples:</p>	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
B GOOD	<ul style="list-style-type: none"> o Maximum 3 performance area rated C o No performance area rated D or E <p>These are three examples:</p>	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
C ACCEPTABLE	<ul style="list-style-type: none"> o Maximum 2 performance areas rated D o No performance area rated E <p>These are three examples:</p>	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
D INSUFFICIENT	<ul style="list-style-type: none"> o Maximum 6 performance area rated E <p>These are three examples:</p>	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
E UNACCEPTABLE	<ul style="list-style-type: none"> o Minimum 7 performance areas rated E <p>These are three examples:</p>	BSCI participants shall closely oversee the auditee's progress as it may represent a higher risk than other business partners
Zero Tolerance	A Zero Tolerance issue was identified (see Annex 5)	Immediate actions are required. The BSCI Zero Tolerance Protocol is to be followed.

- A (Outstanding) =minimum 7 performance area rated A, No performance area C, D or E.
- B (Good) =Maximum 3 performance area rated C. No performance area D or E.
- C (Acceptable) = Maximum 2 performance area rated D.
- D (Insufficient) = Maximum 6 performance area rated E.
- E (Unacceptable) = Maximum 7 performance area rated E.

Audit Details:

Audit Range	Full Audit	Follow-up Audit	
Audit Scope	Main Audit	Main Audit & Farms	
Audit Environment	Industrial	Agricultural	
Audit Announcement	Fully-Announced	Fully-Unannounced	Semi-Announced
Random Unannounced Check (RUC)	No	-----	-----
Audit extent (if applicable)	None		-----
Audit interferences or contingencies (if applicable)	None	-----	-----
Overall rating	D	-----	-----
Need of follow-up	Yes	If YES, by :	15/10/2018

3.1.2 Textile Industry 2:

“Compliance Issues of Garments Industry-A Study on BSCI Audit Reports”

Auditee's name:	Dazzling Textile Ind. Ltd.	Legal status :	Private Limited Company
Local Name :	ডেজলিং	Year in which the auditee was founded :	2014
Address :	7, Pathantuli, Godnail, Siddirganj,	Contact person (please select) :	Md. Monirul Islam
Province :	Dhaka	Contact's Email :	monir.dazzling@gmail.com
City :	Narayangonj	Auditee's official language(s) for written	Bangla
Region :	South Asia	Other relevant languages for the	English
Country :	Bangladesh	Website of auditee (if applicable) :	www.dazzlintextile.com
GPS coordinates :	23.637302, 90.509976	Total turnover (in Euros) :	6238759.76
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :	Not Applicable	Production volume :	200000 pieces per month
Product Group :	Apparel	Production cost calculation :	Yes
If other, please specify :	Not Applicable	Lost time injury calculation cost :	Yes
Product Type :	knitted items (Tops)		

Auditee's employment structure at the time of the audit

“Compliance Issues of Garments Industry-A Study on BSCI Audit Reports”

Total number of workers :303	Total number of workers in the production unit to be monitored (if applicable) :0	
	MALE WORKERS	FEMALE WORKERS
Permanent workers	182	121
Temporary workers	0	0
In management positions	3	0
Apprentices	0	0
On probation	17	35
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	182	121
Production based workers	0	0
With shifts at night	10	0
Unionised	0	0
Pregnant	-	0
On maternity leave	-	0

❖ There are no temporary worker.182 male &121 are female worker.10 male worker shift at night, and 3male worker are in management position. There are no pregnant worker in Dazzling Textile Ltd.

Rating Definitions :

© Daffc

Rating	A combination of ratings per performance area where:	Consequence
A OUTSTANDING	<ul style="list-style-type: none"> o Minimum 7 performance area rated A o No Performance area rated C, D or E <p><i>These are three examples:</i></p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"> A A A A A A A A A A A A A A </div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"> A A A A A A A A A A A A B B B </div> <div style="border: 1px solid black; padding: 2px;"> A A A A A A A A A B B B B B B </div>	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
	<ul style="list-style-type: none"> o Maximum 3 performance area rated C 	

- A (Outstanding) =minimum 7 performance area rated A, No performance area C, D or E.
- B (Good) =Maximum 3 performance area rated C. No performance area D or E.
- C (Acceptable) = Maximum 2 performance area rated D.
- D (Insufficient) = Maximum 6 performance area rated E.
- E (Unacceptable) = Maximum 7 performance area rated E.

Audit Details

Audit Range :	Full Audit	Follow-up Audit	
---------------	------------	-----------------	--

“Compliance Issues of Garments Industry-A Study on BSCI Audit Reports”

Audit Scope :	Main Auditee	Main Auditee & Farms	
Audit Environment :	Industrial	Agricultural	
Audit Announcement :	Fully-Announced	Fully-Unannounced	Semi-Announced
Random Unannounced Check (RUC) :	No		
Audit extent (if applicable) :	none		
Audit interferences or contingencies (if applicable) :	none		
Overall rating :	C		
Need of follow-up :	Yes	If YES, by :	23/02/2018

3.1.3 Textile Industry 3:

Auditee's name :	LIZ complex	Legal status :	Private Limited
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“Compliance Issues of Garments Industry-A Study on BSCI Audit Reports”

			Company
Local Name :	লিজ কমপ্লেক্স	Year in which the auditee was founded :	2009
Address :	Gagipura 27,targas Gagipur, Dhaka, Bangladesh	Contact person (please select) :	Md.Arifur Rahman
Province :	Dhaka	Contact's Email :	lizcomplex@gmail.com
City :	Dhaka	Auditee's official language(s) for written communications :	Bengali (Local Language)
Region :	South Asia	Other relevant languages for the auditee :	English
Country :	Bangladesh	Website of auditee (if applicable) :	lizcomplex@gmail.com
GPS coordinates :	Latitude: 23.881919 Longitude: 90.321911	Total turnover (in Euros) :	941164.70
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :	Not applicable	Production volume :	700000 pcs/month
Product Group :	Apparel	Production cost calculation :	Yes
If other, please specify :	Not applicable	Lost time injury calculation cost :	No
Product Type :	All kinds of knit garments		

Auditee's employment structure at the time of the audit:

“Compliance Issues of Garments Industry-A Study on BSCI Audit Reports”

Total number of workers: 1359	Total number of workers in the production unit to be monitored (if applicable) :0	
	MALE WORKERS	FEMALE WORKERS
Permanent workers	500	859
Temporary workers	0	0
In management positions	13	1
Apprentices	0	0
On probation	150	279
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	500	859
Production based workers	0	0
With shifts at night	67	0
Unionised	0	0
Pregnant		0
On maternity leave		0

- ❖ In Liz Complex 500male 859 female workers. On probation150 male&259 female workers. There are 67male workers shifts at night. And 1359workers on the permanent payroll.

Rating Definitions:

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Rating	A combination of ratings per performance area where:	Consequence
A OUTSTANDING	<ul style="list-style-type: none"> o Minimum 7 performance area rated A o No Performance area rated C, D or E <p>These are three examples:</p>	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
B GOOD	<ul style="list-style-type: none"> o Maximum 3 performance area rated C o No performance area rated D or E <p>These are three examples:</p>	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
C ACCEPTABLE	<ul style="list-style-type: none"> o Maximum 2 performance areas rated D o No performance area rated E <p>These are three examples:</p>	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
D INSUFFICIENT	<ul style="list-style-type: none"> o Maximum 6 performance area rated E <p>These are three examples:</p>	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
E UNACCEPTABLE	<ul style="list-style-type: none"> o Minimum 7 performance areas rated E <p>These are three examples:</p>	BSCI participants shall closely oversee the auditee's progress as it may represent a higher risk than other business partners
Zero Tolerance	A Zero Tolerance issue was identified (see Annex 5)	Immediate actions are required. The BSCI Zero Tolerance Protocol is to be followed.

- A (Outstanding) =minimum 7 performance area rated A, No performance area C, D or E.
- B (Good) =Maximum 3 performance area rated C. No performance area D or E.
- C (Acceptable) = Maximum 2 performance area rated D.
- D (Insufficient) = Maximum 6 performance area rated E.
- E (Unacceptable) = Maximum 7 performance area rated E.

Audit Details:

Audit Range :	Full Audit	Follow-up Audit	
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Audit Scope :	Main Auditee	Main Auditee & Farms	
Audit Environment	Industrial	Agricultural	
Audit Announcement	Fully-Announced	Fully-Unannounced	Semi-Announced
Random Unannounced Check (RUC) :	No		
Audit extent (if applicable) :	none		
Audit interferences or contingencies (if applicable) :	none		
Overall rating :	C		
Need of follow-up :	yes	If YES, by :	15/10/2017

3.2 BSCI Audit Summary report:

Table 3.2.1: Performance Area 1-Social Management System and Cascade Effect

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GO OD PRACTICE	PERFORMANCE AREA SCORE	AU DIT DATE	DEA DLI NE DATE
Crystal Composite Limited	developed document,but some deficiencies in implement capacity planning,health safety etc.	The personal of marketing & merchandizing section have not trained on the BSCI supplier& there are no monitoring system to evaluate.	No	D	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Gaps have been found on implementation as well as on ownership over the process and continuously improve. The progress of continual improvement was not observed .	The factory's long-term development plan did not feel like code of conduct.	No	D	23/02/2017	31/05/2017
LIZ Complex	Factory authorities often request additional activity.	Factory authorities have appointed representatives to implement the policy of BSEC but they have not appointed any representative of the workers to protect the workers.	No	D	15/10/2017	31/03/2018

Table 3.2.2: Performance Area 2 : Workers Involvement and Protection

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FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREAS SCORE	AUDI DATE	DEADLINE DATE
Crystal Composite Limited	Overall monitoring shows that workers are aware of their legal rights and responsibilities. They formed a committee through election Bangladesh Labor Law-2006, Section-205(6)	There is no time limit for worker complain.	No	B	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	facility has established health and safety committee. Through which progress towards sustainable development.	45% worker are not aware to complain. there is no committee to solve the complain	No	A	23/02/2017	31/07/2017
LIZ Complex	They did not introduce any complaint management process for business partners.	The factory authorities don't took a far-reaching plan for the workers	No	B	15/10/2017	31/03/2018

Table 3.2.3: Performance Area 3 : The rights of Freedom of Association and Collective Bargaining

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREAS SCORE	AUDI T DATE	DEADLINE DATE
Crystal Composite Limited	Not rated	Nothing found	No	A	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Participation Committee (PC) was formed for the rights of Freedom of Association and Collective Bargaining	There is no limitation imposed by the management of the factory	No	A	23/02/2017	30/06/2017
LIZ Complex	Not rated	Nothing found	No	A	16/04/2016	31/03/2018

Table 3.2.4: Performance Area 4 : No Discrimination:

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREAS SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Not rated	The factory authority does not discriminate	No	A	23/04/2016	31/07/2016
Dazzling Textile Ind. Ltd	Authorities discourage any kind of discrimination	The audit partially fulfill the requirements of this performance area.	No	B	26/12/2016	30/06/2017
LIZ Complex	Not rated	There is no discrimination.	No	B	23/04/2016	31/07/2016

Table 3.2.5: Performance Area 5 : Fair Remuneration

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Authorities appointed people to see all the facilities of the workers.	Workers' wage receipt is not provided	No	B	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Workers were properly paid wages	The factory authority did not set the minimum wage for living	No	D	23/02/2017	31/01/2018
LIZ Complex	No steps have been taken to provide quality pay	Workers' wage receipt is not provided.	No	B	15/10/2017	31/03/2018

Table 3.2.6: Performance Area 6: Decent Working Hours

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Factory authorities confirmed the correct working hours. Weekly holidays have been confirmed	Factory production capacity was not done properly. So pressure is applied to their extra activities.	No	C	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Factory production capacity was not done properly. So pressure is applied to their extra activities .	Factory authorities confirmed the correct working hours. Weekly holidays have been confirmed	No	C	23/02/2017	30/06/2017
LIZ Complex	The facility has established working hour policy as per law and also follows the working hours as per policy	top management has a practice of doing shipment date But, facility is not .	No	C	15/10/2017	31/03/2018

Table 3.2.7: Performance Area 7 : Occupational Health and Safety

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Safety is not guaranteed for factory activities. Registered physician is not under the factory law	Factory smoke detector was found inadequate. Fire alarm was not found in the knitting section	No	E	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Facility does not comply with regulations on occupational health and safety relevant for its activities. no transportation provide to the workers by the factory management.	Factory design discrepancy found.	No	B	23/02/2017	30/01/2018
LIZ Complex	Facility does not comply with regulations on occupational health and safety relevant for its activities. There is no canteen for the worker. Facility did not ensure childcare room in the factory.	factory generator license was not found. No aisle marking was found in the workers’ dining area	No	E	15/10/2017	31/03/2018

Table 3.2.8: Performance Area 8 : No Child Labor

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	No child labor has been identified during audit .	Not rated	No	A	15/10/2017	30/01/2018
Dazzling Textile Ind. Ltd	No child labor has been identified during audit.	Child Labor Disputes Policy was not created	No	A	23/02/2017	31/03/2017
LIZ Complex	Not rated	Nothing To Be Recorded	No	A	15/10/2017	30/01/2018

Table 3.2.9: Performance Area 9 : Special protection for young workers

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Not rated	This PA Is Not Applicable	No	A	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	There is no child labor	No worker under 18 years	No	A	23/02/2017	31/01/2018
LIZ Complex	Not rated	No worker under 18 years.	No	B	15/10/2017	31/03/2018

Table 3.2.10: Performance Area 10 : No Precarious Employment

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	The workers have been appointed on permanent basis	Workers information is not collected and identity cards are given	No	A	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	Contractual or seasonal workers can't be found in the factory	All workers are not given appointment letters	No	A	23/02/2017	31/01/2018
LIZ Complex	There are no temporary worker	All the workers identity card are not given.	No	A	15/10/2017	31/03/2018

Table 3.2.11: Performance Area 11 : No Bonded Labor

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Not rated	Nothing to be recorded	No	A	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	workers are aware of the factory discipline.	No pressure from security.	No	A	23/02/2017	31/01/2018
LIZ Complex	Not rated	Nothing to be recorded	No	A	15/10/2017	31/03/2018

Table 3.2.12: Performance Area 12 : Protection of the Environment

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Facility did not have 'Environmental Clearance Certificate'	Factory garbage is not being properly controlled	No	C	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	The factory is not surveyed in terms of environmental perspective	No training for using water in the factory	No	C	23/02/2017	31/01/2018
LIZ Complex	Environmental clearance was not found	Acid use clearance is not available	No	C	15/10/2017	31/03/2018

Table 3.2.13: Performance Area 13 : Ethical Business behavior

FACTORY TYPE	AREAS OF IMPROVEMENT	REMARKS FROM AUDIT	GOOD PRACTICE	PERFORMANCE AREA SCORE	AUDIT DATE	DEADLINE DATE
Crystal Composite Limited	Not Rated	The factory authority did not provide any false information	No	A	15/10/2017	31/03/2018
Dazzling Textile Ind. Ltd	There is no prize for ethical behavior	No training was given about moral conduct	No	A	23/02/2017	31/01/2018
LIZ Complex	Not rated	False information is not provided	No	A	15/10/2017	31/03/2018

CHAPTER 4

DISCUSSION OF RESULT

4.1 DISCUSSION OF RESULT:

Textile Industry 1

Rating per Performance Area (PA)												
PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
D	B	A	A	B	C	E	A	A	A	A	C	A

- ❖ A=7, B=2, C=2 D=1 ,E=1
- ❖ Here, PA(Performance Area) PA3,PA4,PA8,PA9,PA10,PA11,PA13 Performance Area is outstanding so there score is A (Outstanding),PA2,PA5 is good. Performance area is B . PA6 ,PA12 performance area is C, that means acceptable .Performance area PA1 Score is D and it is insufficient.PA7 score is E & Unacceptable.

Overall rating : C

Overall this Textile industry performance is C. and it is acceptable. Although it is acceptable but there are some incompatibilities. They have to improve.

Textile Industry 2

Rating per Performance Area (PA)												
PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
D	B	A	A	D	C	B	E	A	A	A	C	A

- ❖ A=6, B=2, C=2 ,D=2 ,E=1
- ❖ Here, PA(Performance Area) PA3,PA4,PA9,PA10,PA11,PA13 Performance Area is outstanding so there score is A (Outstanding),PA2,PA7 is good. Performance area is B . PA6 ,PA12 performance area is C, that means acceptable .Performance area PA1 Score is D and it is insufficient.PA8 score is E & Unacceptable.

Overall rating : D

Overall this textile industry performance is D & it is insufficient. The authorities will have to increase the surveillance in this factory

Textile Industry 3

Rating per Performance Area (PA)												
PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
C	B	A	A	B	C	E	A	A	A	A	C	A

❖ A=7, B=2, C=3 D=0 ,E=1

❖ Here, PA(Performance Area) PA3,PA4,PA8,PA9,PA10,PA11,PA13 Performance Area is outstanding so there score is A (Outstanding),PA2,PA5 is good. Performance area is B . PA1 ,PA12 performance area is C, that means acceptable .PA7 score is E & Unacceptable.

Overall rating : C

Overall this Textile industry performance is C. and it is acceptable. Although it is acceptable but there are some incompatibilities. They have to improve as soon as possible.

4.2 Comparison of those factory:

1. Performance Area 1: Social Management System and Cascade Effect:

Social management is about keeping track of any mention of a company, its products, services or brands and allows the company to manage its presence on the web with the required traceability, a consistent set of criteria and human intervention. The performance area of social management system and cascade area is D & it is insufficient. So the factory authorities should keep an eye on it.

2. Performance Area 2 :

The protection that is taken for the safety of the workers it's called Workers Protection. The performance area of workers involvement and protection satisfied and its score is B. Be aware of staff self-defense.

3. Performance Area 3:

The performance area of the rights of Freedom of Association and Collective Bargaining is outstanding. There is no confusion between the workers and the authorities & score is A. So it should be retained.

4. Performance Area 4:

Prejudiced behavior with other is called Discrimination. No Discrimination Authorities discourage any kind of discrimination. This area score is B. So No discrimination should be done.

5. Performance Area 5:

Payments are paid for work is Remuneration. But the factories in our country are not properly paid. The factories are in critical condition. The authorities should keep an eye on it. Otherwise, labor dissatisfaction may occur. This average score is C. It is acceptable.

6. Performance Area 6: In our country the duration of the period from 9am to 5pm is Decent Working Hours. But the owners of our country have been working for a long time. Which is completely and immoral. Performance Area score C. Although it should be kept in mind the acceptability.

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7. Performance Area 7: Occupational Health and Safety. In our country most workers are not aware of the health of the workers. The owners lacked in this regard. The authorities do not ensure the safety of the workers. So the garment industries are being damaged. And the accident like Rana Plaza is happening . its score is E. It is not acceptable.

8. Performance Area 8: No Child Labor. Under the age of 18, the workers are called child labor.No child labor has been identified during audit . Performance Area score A. it is outstanding.

9. Performance Area 9: Special protection for young workers. According to the law there is no labor under 18. However, special protection was taken for all workers. Performance area score is A. It is outstanding.

10. Performance Area 10: No Precarious Employment. There are no temporary worker in the factory. Temporary workers are not employed in the factories. Performance Area score is A and it is outstanding.

11. Performance Area 11: No Bonded Labor. There is no Bonded labor & No pressure from security. This is outstanding & score is A.

12. Performance Area 12: Protection of the Environment

Responsibility on the environment is protection of the environment. Factory owners are not aware of the environment. They are polluting the environment in many ways. So the environment is crashing. Performance Area score C & acceptable

13. Performance Area 13: Ethical Business behavior:

The factories did not keep any information hidden from them .The factory authority did not provide any false information and it is outstanding. It's score is A

CHAPTER 5

Conclusion

Conclusion

A massive work had been done at “Compliance Issues of Garments Industry-A study on BSCI Audit Reports” Various data were assorted and analyzed. After analyzing all the above data, the findings are as follows:

- A=7, B=2, C=2 D=1 ,E=1 .and their overall rating C and it is acceptable.
- A=6, B=2, C=2 ,D=2 ,E=1 . Overall this textile industry performance is D & it is insufficient.
- A=7, B=2, C=3 D=0 ,E=1. and their overall rating C and it is acceptable.

At last we think our thesis may helpful for Researchers.