

Monitoring

Monitored Party : **KB Enterprises**
 amfori ID : **586-000559-000**
 Site : **Site 1**
 Site amfori ID : **586-000559-001**
 Address : **19 Km, Sheikhpura Road**
 : **38000, Faisalabad**
 : **Punjab**
 : **Pakistan**
 Monitoring Activity : **amfori Social Audit - Manufacturing**
 Monitoring Type : **Full Monitoring**
 Submission Date : **31/12/2021**
 Expiration Date : **31/12/2023**

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Overall rating



Section rating

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

KB Enterprises is a Partnership company which is established in 2011. The company located at 19 Km, Sheikhpura Road, Faisalabad Pakistan. Total land area of the factory is about 207000 square feet.

Opening Meeting: The Opening Meeting conducted by Lead Auditor " Muhammad Khalid APSCA No. RA 21704123), Membership Status "Registered Auditor (R.A) & " Nazim Ali APSCA No. RA 21703464), (Shahzad Shaukat No. RA 21702583). Membership Status "Registered Auditor (R.A) where Mr. Muhammad Ashfaq (Manager HR & Admin), Mr. Atta-ur-Rehman (Manager Compliance), Mr. Adeel Ahmed (Worker council committee president) and Mr. Salman Ashraf (Health & Safety committee member) were participated.

Auditors described the whole audit process, standards, scope, and also explained the amfori BSCI code of conduct, amfori BSCI holistic approach in detail and local laws to what extent these are related to the audit. Meanwhile management assured the auditors to help throughout the audit. Required documents were provided in time. Facility management provided a separate room for conducting employee's interview. Besides, at the time of facility visit attitude of the facility management was good.

Announced Type: Fully-unannounced.

Monitoring Type: Full Monitoring.

Monitoring Partner: TÜV NORD CERT GmbH (APSCA Firm Member: 11600051).

Auditor: APSCA Auditor Number: (Muhammad Khalid "21704123"), (Nazim Ali "21703464") & (Shahzad Shaukat "21702583").

Health and Safety Tour:

All areas of the facility such process, cutting, stitching, checking, finishing, grey fabric checking, final rolling section and mending and packing were visited during the audit. The auditors has conducted the facility tour at the entire premises of the facility.

Factory has installed disinfectant walkthrough gate on main entrance and designated security personals are responsible to check temperature of all workers before entering in the factory. Factory management has posted COVID-19 safety instruction on main gate and all the prompt places in the production departments and also provided trainings to all their employees and department in-charges to maintained social distancing in the factory as per posted COVID-19 instructions and government SOPs.

Facility Overview: The factory consists of four buildings and section wise factory lay out was as follows:

Building 1 :

Ground floor is occupied by time office, security room, RO plant, parking area and food preparation area.

Building 2:

Ground floor is occupied by grey fabric store, grey checking section, folding and mending section and final rolling section.

1st floor is occupied by cutting section, stitching section, checking section.

2nd floor is occupied by finishing section, packing section.

3rd floor is occupied by main store and rest of area.

Interview and payroll review:

20 permanent employees, were randomly selected from different production section for interview. On sample basis payroll records and time records of the month of June 2021, August 2021 & October 2021 were reviewed. Moreover, attendance register, production records, product inspection report and broken needle register were reviewed by the auditors.

Contractor License/ Permit, Agency Labour Contract, Government Waivers and Collective Bargaining and Agreements were not applicable.

Factory timings is as follows :

Management employees working hour's starts from 09:00 AM to 06:00 PM.

Production employees working hour's starts from 09:00 AM to 06:00 PM.

Security department has operates in three shifts from 07:00 AM to 03:00 PM, 03:00 PM to 11:00 PM and 11:00 PM to 07:00 AM.

Employees are allowed for one hour meal breaks (From 01:00 PM to 2:00 PM) as per their shift. Sunday is weekly rest day of all production and management staff. Security enjoy their week rest day on rotation basis.

They maintain attendance records through electronic systems.

Employees receive their wages by monthly basis in local currency (PKR).

Factory had provided minimum wage as PKR 20,000 per month which meet the legal minimum wage of the Province.

Factory had provided the overtime wages 200% of the normal wages which is as per legal requirement.

Production capacity of the audited facility is 1,620,000 bedding products and 120,000 towel products per year. The main product manufactured by the facility is Home Textile (All type of Bed Sheets, Towels and Bathrobes). The main production processes are cutting, stitching, checking, finishing, grey fabric checking, final rolling section and mending and packing.

First of all, the assessment auditors thanked the facility management for spending their valuable time towards the audit and their cooperation throughout the audit process. Later the assessment auditors explained in detail the observations that come across during the audit process.

Attitude of workers: Through interview with workers, it was noted that all workers are content with the factory. The relation between management and the workers appeared to be cordial. Workers are content with general housekeeping of the factory in the production area. Through interview with workers it was noted that factory management is very co-operative in solving their work place related issues in time. Besides, auditors were also informed by the workers that factory does not discriminate between workers in any manner while pay or promotion or training. Factory management treats all of them equally and with respect and dignity. No evidence of corporal punishment, threats of violence or other forms of physical, mental, sexual, verbal harassment and abuse was found. Factory pays their wages in time. Factory has given equal opportunity to work overtime. Overtime is voluntary. Workers stated that there are several channels of communication with management in this factory. No negative comment was received. Workers stated that there are several channels of communication with management in this factory.

Attitude of factory management: The factory management was receptive, positive and extended their full cooperation throughout the audit. They showed positive attitude towards the compliance requirements. Factory management was very much supportive to provide the document which was needed to verify during the audit. Further, they have agreed with the non-compliance issues identified during full audit and given time scale for correction. The factory management has certain that they would correct those issues within the planned time frame that was mentioned in the corrective action plan.

At the end of the audit, a closing meeting was held with factory representative Mr. Muhammad Ashfaq (Manager HR & Admin), Mr. Atta-ur-Rehman (Manager Compliance), Mr. Adeel Ahmed (Worker council committee president) accepted and signed on the corrective action report.

Site Details

Site : Site 1
Site amfori ID : 586-000559-001

GICS Classification

| | | | |
|----------------|-------------------------------|--------------|------------------------------------|
| Sector | : Consumer Discretionary | Industry | : Textiles, Apparel & Luxury Goods |
| Industry Group | : Consumer Durables & Apparel | Sub Industry | : Textiles |

GS1 Classifications

N.A.

Product Process Classifications

N.A.

Metrics

Key Metrics

| | |
|---|---------------|
| Total workforce | 245 Workers |
| Legal minimum wage in local currency | 20000 Monthly |
| Lowest wage paid for regular work at the site | 20000 Monthly |
| Calculated living wage in local currency | 24500 Monthly |
| Total sample | 20 Workers |

Other Metrics

| | |
|------------------------------------|-------------|
| Male workers | 235 Workers |
| Female workers | 10 Workers |
| Permanent workers - Male | 235 Workers |
| Permanent workers - Female | 10 Workers |
| Temporary workers - Male | 0 Workers |
| Temporary workers - Female | 0 Workers |
| Seasonal workers - Male | 0 Workers |
| Seasonal workers - Female | 0 Workers |
| Management - Male | 10 Workers |
| Management - Female | 0 Workers |
| Apprentices - Male | 0 Workers |
| Apprentices - Female | 0 Workers |
| Workers on probation - Male | 0 Workers |
| Workers on probation - Female | 0 Workers |
| Workers with night shift - Male | 5 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 | 235 Workers |
| Workers hired directly - Female | 10 Workers |
| Workers hired indirectly - Male | 0 Workers |
| Workers hired indirectly - Female | 0 Workers |
| Unionised workers - Male | 0 Workers |
| Unionised workers - Female | 0 Workers |
| Workers under CBA - Male | 0 Workers |
| Workers under CBA - Female | 0 Workers |
| Pregnant workers | 0 Workers |
| Workers on parental leave - Male | 0 Workers |
| Workers on parental leave - Female | 0 Workers |
| Sample - Male | 18 Workers |
| Sample - Female | 2 Workers |

Findings

PA1: Social Management System

Based on document review, interviews, it was noted that the Auditee does have an effective management system to implement the Amfori BSCI Code of Conduct as per the requirements. Factory has established their internal management system which includes most of the procedures however some procedures are not aligned with the Amfori BSCI code of conduct. This issue also raised because of violation of BSCI social management system in other performance area's therefore auditee partially respects this section of BSCI COC.

دستاویزات کے جائزے، انٹرویوز کی بنیاد پر، یہ نوٹ کیا گیا کہ آڈیٹ کے پاس ایف فور بی ایس سی آئی کوڈ آف کنڈکٹ کو ضروریات کے مطابق نافذ کرنے کے لیے ایک موثر انتظامی نظام موجود ہے۔ فیکٹری نے اپنا داخلی انتظامی نظام قائم کیا ہے جس میں بیشتر طریقہ کار شامل ہیں تاہم کچھ طریقہ کار ایف فور بی ایس سی آئی ضابطہ اخلاق کے مطابق نہیں ہیں یہ مسئلہ دیگر پرفارمنس ایریا میں بی ایس سی آئی سوشل مینجمنٹ سسٹم کی خلاف ورزی کی وجہ سے بھی اٹھایا گیا ہے لہذا آڈیٹ کرنے والا بی ایس سی آئی او سی کے اس سیکشن کا جزوی احترام کرتا ہے

PA 2: Workers Involvement and Protection

Through the documents review and management interview it was noted that factory is paying the contribution of their employees (employee old benefits, group insurance and medical facility). However, during interview 20% workers were found unaware of their legal right and responsibilities under labour legalization and all the benefits i.e group insurance, employee old benefits, medical facility, probationary period and annual leaves (sick and casual).

دستاویزات کے جائزے اور انتظامی انٹرویوز کے ذریعے یہ بات نوٹ کی گئی کہ فیکٹری اپنے ملازمین (ملازمین کے پرانے مراعات، گروپ انشورنس اور طبی سہولت) کا حصہ ادا کر رہی ہے۔ تاہم، انٹرویوز کے دوران 20% ورکرز لیبر لیگلائزیشن کے تحت اپنے قانونی حق اور ذمہ داریوں اور تمام فوائد جیسے گروپ انشورنس، ملازم کے پرانے فوائد، طبی سہولت، پریویشنری مدت اور سالانہ چھٹیوں (بیمار اور آرام نہ) سے لاعلم پائے گئے۔

PA 5: Fair Remuneration

Noted through documents reviews that facility has calculated their living wages PKR 24500, however it comes under notice during workers benefits and salary records that no implementation found to meet decent living standards for their workers.

دستاویزات کے جائزوں کے ذریعے نوٹ کیا گیا کہ سہولت نے ان کی رہائشی تنخواہ 24500 روپے کا حساب لگایا ہے، تاہم یہ مزدوروں کے فوائد اور تنخواہ کے ریکارڈ کے دوران نوٹس میں آتا ہے کہ ان کے کارکنوں کے معیار زندگی کو پورا کرنے کے لیے کوئی عمل درآمد نہیں ہوا

PA 7: Occupational Health and Safety

Based on satisfactory evidence, the main auditee partially respects this principle because it was noted that the health & safety management system was not operated effectively, which resulted in some findings on PA7 regarding violations on legal occupational health and safety regulations were identified during the audit.

اطمینان بخش شواہد کی بنیاد پر، مرکزی آڈیٹ جزوی طور پر اس اصول کا احترام کرتا ہے کیونکہ یہ نوٹ کیا گیا تھا کہ ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم موثر طریقے پر قانونی پیشہ ورانہ صحت اور حفاظتی قواعد کی خلاف ورزیوں کے حوالے سے کچھ نتائج برآمد ہوئے PA7 سے نہیں چل رہا تھا، جس کے نتیجے میں

During document review it was noted that Risk assessment of transmittable and non-transmittable disease were not conducted. دستاویزات کے جائزے کے دوران یہ نوٹ کیا گیا کہ ٹرانسمیٹبل اور نان ٹرانسمیٹبل ایبل بیماری کے خطرے کی تشخیص نہیں کی گئی

Unidentified chemical drum was found in generator area without secondary container and MSDS.

سیکنڈ کنٹینر اور ایم ایس ڈی ایس کے بغیر پریسنگ سیکشن میں نامعلوم کیمیکل ڈرم پایا گیا۔

During site tour, it was observed that needle guard was not installed on 20% stitching machine and Legal Reference: Fencing of machinery. Section 30 of The Punjab Factories Act 2015.

سائٹ کے دورے کے دوران، یہ دیکھا گیا کہ 20% سلانی مشین پر سوئی گارڈ نصب نہیں کیا گیا تھا اور قانونی حوالہ: مشینری کی باڑ لگائی گئی تھی پنجاب فیکٹریز ایکٹ 2015 کا سیکشن 30۔

During site tour, it was observed that flush system were not installed in workers toilets. Legal Reference: Section 23 (d) of the Punjab Factories Act 2015.

(d) سائٹ کے دورے کے دوران، یہ دیکھا گیا کہ کارکنوں کے بیت الخلاء میں فلش سسٹم نصب نہیں تھا۔ قانونی حوالہ: پنجاب فیکٹریز ایکٹ 2015 کی دفعہ 23

PA 12: Protection of the Environment

Noted through the documents review and management interviews that no initial environmental examinations were conducted by the facility management and therefore factory has not obtained NOC (No objection certificate from PEPA (Punjab Environmental protection agency) for their factory.

دستاویزات کے جائزے اور انتظامی انٹرویوز کے ذریعے نوٹ کیا گیا کہ سہولت انتظامیہ کی طرف سے کوئی ابتدائی ماحولیاتی امتحانات نہیں کرائے گئے تھے اور اس حاصل نہیں کیا ہے۔ NOC (No Object Certificate) پنجاب انوائرنمنٹل پروٹیکشن ایجنسی (PEPA) سے) کے ذریعے فیکٹری نے اپنی فیکٹری کے لیے

PA 13: Ethical Business Behaviour

During interview process 10 out of 20 Workers were not being informed about anti-corruption, ethical behavior rules in proper and regular meetings (BSCI code of conduct).

کوڈ آف کنڈکٹ) کے بارے (BSCI) انٹرویو کے عمل کے دوران 20 میں سے 10 ورکرز کو انسداد بدعنوانی، مناسب اور باقاعدہ میٹنگز میں اخلاقی رویے کے قوانین میں آگاہ نہیں کیا جا رہا تھا۔