

Monitoring summary report for Hudabia Textile

MONITORING ID: 24-0280978



Monitored Party Hudabia Textile	amfori ID 586-000026-000	Address 19 km, Jaranwala Road,, Faisalabad, Punjab, Pakistan
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner ALGI International, Inc.
Monitoring Start Date 01/11/2024	Closing Meeting Finished Date 01/11/2024	Submission Date 14/11/2024
Expiration Date 14/11/2026	Announcement Type Semi Announced	
Site Hudabia Textile	Site amfori ID 586-000026-002	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	A	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	B	
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, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	B	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Noman Habib; APSCA membership number CSCA 21703569.

Name of team auditor 1: Muhammad Atiyab; APSCA membership number ASCA 21705322.

Name of team auditor 2: Muhammad Usman Meraj APSCA membership number ASCA 21704674.

Name of observers, translators, trainees, advisors/consultants: There were no observers, translators, trainees, advisors/consultants participated in audit activity.

Monitoring partner name: ALGI International INC.

Audit schedule details: The audit is planned for 2.5 days onsite (full day by 2 auditors and "0.5" half day by 1 team auditor) and 0.5 day for report writing. Mr. Noman Habib "Lead auditor" and Mr. Muhammad Atiyab "Team auditor 1" participated on full day and Mr. Muhammad Usman Meraj "Team auditor 2" participated on half day.

Announcement Type: This is an semi announced type audit which covered the overall factory premises area included all the floors, workers and production process such as, cutting, stitching, quality checking, cropping and packing.

Business partner information:

The factory "Hudabia Textile" was established in 2022. The total covered area of factory premises is 71835 square feet. This factory is located at 19 km, Jaranwala Road, Faisalabad, Pakistan.

Factory does have cutting, stitching, quality checking, cropping and packing.

Factory is the manufacturer of Home Textile.

The Labour Registration Number of the factory is "2022010802595".

Opening Meeting:

The opening meeting started at 09:01 AM with Mr. Shahid Khalil (General Manager), Mr. Rizwan Sabir (Health and Safety Committee Member), Mr. Muhammad Umair Ahmad (Joint Work Council Member), Mr. Muhammad Ali Raza (Accountant) and Mr. Tassaduq Zulqarnain (HR and Compliance Officer) present commenced the audit process.

The auditors also explained and presented ALGI's Gifts and Gratuities letter to the facility management, where Mr. Shahid Khalil (General Manager) agreed and signed the document.

They gave assurance that they're at the auditor's disposal and proved so by providing all the necessary documents in time along with a separate room to conduct employees interview.

Overall, at the time of the facility visit, the attitude of the facility management was good.

Factory has obtained building stability certificate and approved map from the governmental approved engineer as per the legal requirement.

Factory provided PPEs as per the production process and define about the production process of the entire factory.

Audited location information:

The factory consists of two blocks with two buildings and the layout are as follow:

Block 1:

Ground floor is occupied by time office, security office, fair price shop, offices and store.

Block 2:

Ground floor is occupied by ladies rest area, dining area, generator area, waste storage area and washrooms.

Building 1:

Ground floor is occupied by finishing section, quality checking section, packing section, stitching section and cropping section.

First floor is occupied by quality checking section, packing section, stitching section and empty carton storage area.

Building 2:

Ground floor is occupied by cutting section and fabric storage area.

First floor is occupied by carton storage area.

Building ownership information:

The factory currently possesses ownership of the present location.

Operating shifts and hours:

Office staff and Production employees working hours are 09:00 AM to 06:00 PM.

Security section operated in three shifts. 07:00 AM to 03:00 PM, 03:00 PM to 11:00 PM and 11:00 PM to 07:00 AM. All the office and Production employees took rest on Sunday. However security section enjoys their weekly rest day on a rotational basis.

There are no peak and low season in the factory.

There is no sub-contracting utilized by the factory.

Time recording system:

Factory used card scanning, face and thumb scanning system for time recording system for attendance.

Salary payment details:

Factory paid the salary within first week of every month through cash and bank transfer.

Worker number information:

There are total 250 employees included 234 male employees and 16 female employees in the factory.

There are total 250 workers in the factory with 230 production workers and 20 non-production workers.

20 permanent and directly hired workers were randomly selected from different production section for interviews.

(Sampled periods from October 2023 to September 2024) on sample basis payroll records and time records of the month of September 2024 (Current paid month), March 2024 (random paid month) and October 2023 (Initial paid month) were reviewed.

Moreover, attendance register, production records, product inspection report and broken needle register were reviewed by the auditors.

Worker organization details:

Factory does have a joint work council instead of union, which is established through fair vote casting system. Joint work council is responsible for conducting meeting after every three months to solve the issues related to workers.

"There was no special circumstance during the audit."

There was no dormitory in the factory and there were not applicable as per local law.

At the end of all the audit processes, a closing meeting was started by the auditors at 05:30 PM in the presence of with Mr. Shahid Khalil (General Manager), Mr. Rizwan Sabir (Health and Safety Committee Member), Mr. Muhammad Umair Ahmad (Joint Work Council Member), Mr. Muhammad Ali Raza (Accountant) and Mr. Tassaduq Zulqarnain (HR and Compliance Officer). The entire audit process, standard and scope were explained to the people present. The amfori BSCI code of conduct and the amfori BSCI holistic approach were both explained in detail.

Summary of findings: There are some areas of improvement found in other performance areas such as PA1 Social Management System (1.1 and 1.3), PA 5 Fair Remuneration (5.4 & 5.5), PA 7 Occupational Health and Safety (7.1, 7.7, 7.11, 7.17 and 7.22), and PA 12: Protection of the Environment (12.2 and 12.3).

Mr. Shahid Khalil (General Manager) and Mr. Muhammad Umair Ahmad (Joint Work Council Member) agreed and signed the summary of findings.

Attitude of factory management:

The factory management was receptive and extended their full support throughout the audit process. They showed a positive attitude towards the compliance requirements.

Living wage calculation:

Factory has not calculated basic living wage for their employees; however, the data of Basic Living Wage calculation are selected by the auditors through the Global Living Wage Coalition- GLWC website as a benchmark of the Satellite Cities, June, 2023; The current living wages is 43709 PKR. The audit team were unable to compare the result of the calculation, as the auditee has not calculated the BLW.

There are some mandatory attachments, which are not applicable in this audit.

Collective bargaining agreement, government waivers, inconsistency between time and production records, photos of dormitories and remediation of the previous findings.

SITE DETAILS

Site
Hudabia Textile

Site amfori ID
586-000026-002

GICS Classification

Sector
Consumer Discretionary

Industry Group
Consumer Durables & Apparel

Industry
Textiles, Apparel & Luxury Goods

Sub Industry
Textiles

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	250	Workers
Legal minimum wage in local currency	37,000	Monthly
Lowest wage paid for regular work at the site	37,000	Monthly
Calculated living wage in local currency	43,709	Monthly
Total sample	20	Workers

Other Metrics

Male workers	234	Workers
Female workers	16	Workers
Non-binary workers	0	Workers
Permanent workers - Male	234	Workers
Permanent workers - Female	16	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	11	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	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	2	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	234	Workers
Workers hired directly - Female	16	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	17	Workers
Sample - Female	3	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Hudabia Textile | Site amfori ID: 586-000026-002

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

It was noted through documents review, factory visit, workers and management interviews that factory is in progress to integrate the amfori BSCI code of conduct in day-to-day business activities. However, there are some areas of improvement identified on implementation in the performance areas of Social Management System PA 1, Fair Remuneration PA 5, Occupational Health and Safety PA 7 and Protection of the Environment PA 12.

This is partially in compliance with BSCI COC, because factory has developed list of policies and procedure as per the requirement of local law and BSCI COC and factory management has fully implemented system into rest performance areas.

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

It was noted during documents reviews and management interviews that the facility has established an evaluation system to evaluate their suppliers for compliance with BSCI requirements. However during review of the suppliers records that the factory has not initiated to be signed amfori BSCI COC and TOI with their 02 out of 10 (20%) suppliers as per amfori BSCI code of conduct requirement.

This is partially in compliance with amfori BSCI COC. Because factory acknowledge the COC and TOI with their (80%) suppliers and factory has implemented a partial system of supplier evaluation and selection system as per the amfori BSCI requirement. Therefore, this finding rated as partially.



PA 5: Fair Remuneration

Site: Hudabia Textile | Site amfori ID: 586-000026-002

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

It was evident during documents reviews and management interviews that factory has not calculated Basic living wages for their employees, although company has paid minimum wages according to local law 37000 PKR; However auditor followed the Global Living Wage Coalition- GLWC website as a benchmark for data selection and noted that all the sampled employees in three sampled months (September 2024,

Finding

March 2024 and October 2023) are found to be paid below the BLW (basic living wage) 43709 PKR according to Global Living Wage Coalition- GLWC website as a benchmark. Although all the sampled workers found earned minimum wage 37000 PKR per month as per legal requirement.

This is not in compliance with BSCI COC requirement and management found unaware with the requirement of BLW. Therefore, this finding rated as "No".

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH

Finding

It was noted during documents reviews and management interviews that factory is paying Employee Old Age Benefit (EOBI) contribution for their 140 employees instead of 250 employees.

This is partially in compliance with EOBI act 1976 11. Registration of establishments, etc. because factory is providing other benefits to their all workers like PESSI (Punjab Employees Social Security Institutions) and group life insurance as per the local law requirement. Therefore this finding is rated as partially.

PA 7: Occupational Health and Safety

Site: Hudabia Textile | Site amfori ID: 586-000026-002

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

ENGLISH

Finding

It was noted during factory visit, documents review and management interviews that, the auditee partially maintain a good Health and safety system in the workplace. However, the implementation found is not fully in compliance with requirements of the local law as there are some gaps identified in occupational health and safety awareness i.e., Chemicals, Accident and Emergency Procedures, Machine and Vehicle Safety, Workplace and Social Facilities, including housing when provided by the auditee. There is observed that the facility management did not have full monitoring of the management system on site, aiming to minimize the risk of non-compliance with the local H&S regulations. There is not found to have sufficient cooperation between management and workers, when developing and implementing systems towards ensuring OHS (Occupational Health and Safety) (as per BSCI COC).

This finding is rated as partially because the factory did not comply with applicable local law requirement in questions 7.7, 7.17 and 7.22, but most of the areas of OHS found compliant and factory has implemented the OHS system as per the legal compliance such as installed outward emergency exit doors, proper aisles marking, clean drinking water, first aid boxes with sufficient medical supplies and etc.

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

It was noted during factory visit that:

- 1) Machine oil / white oil drum was found stored without secondary containment in store at block 1 on ground floor.
- 2) Oil cans were found stored without secondary containment in workshop at block 2 on ground floor. This is partially in compliance with local law requirement "Local law reference: PUNJAB HAZARDOUS SUBSTANCES RULES, 2018 ENVIRONMENT PROTECTION DEPARTMENT." because there are few oil cans and drum were found without secondary containment, although the rest of the oil and diesel cans and drums were found stored in secondary containment, with proper identification and MSDS, therefore this finding is rated as partially.

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

It was noted during factory visit that minor crack on wall was found in male workers eating / dining area on ground floor in block 1.

This is partially in compliance with amfori BSCI COC because rest of the pillars, beams, roof and walls were found compliant as per the standard requirement and additionally factory has obtained building stability certificate and approved map from government authorized engineer as per the legal requirement, therefore this finding is rated as partially.

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

It was noted during factory visit that:

- 1) No buffer spring were installed at bottom of cargo lift cabin room.
 - 2) Eye glass were not installed on four out of fifty stitching machines in stitching section on ground floor in building 1.
- This is partially in compliance with local law Factories Act 1934 Section 26. Fencing of machinery. - (1). Although majority of the stitching machines, bracket fans, exhaust fan and generator protected with safety guards such as needle guards, belt covers, safety covers as per the legal requirement which confirms that factory management is implemented the system as per legal requirement related to moving parts but there are some stitching machines and cargo lift related issues found in the factory, therefore this finding rated as partially.

Question: 7.22 Is there satisfactory evidence that the auditee provides workers with clean washing facilities, changing rooms and toilets that are also respectful of local customs?

ENGLISH

Finding

It was noted during factory visit that:

- 1) Flush system was found out of order in one out of four male workers washrooms on ground floor in block 2.
- 2) Gender signs and identification labels in native language were not posted on male and female workers washrooms on ground floor in block 2.

This is partially in compliance with local law PUNJAB FACTORIES RULES, 1978 Provisions for Provisions for Washing Accommodation 43 (6), because rest of the washrooms were found as per local law requirement such as clean, equipped with flush tank and soap with towel, therefore this finding is rated as partially.

PA 12: Protection of the Environment

Site: Hudabia Textile | Site amfori ID: 586-000026-002

Question: 12.2 Is there satisfactory evidence that the auditee has procedures in place to ensure integration of local environmental law into the business model?

ENGLISH

Finding

It was noted during factory visit, documents reviews and management interviews that factory has developed policies and procedure as per the local law requirement and factory has contract with third party waste collecting company to collect the waste (Hazardous and Non-hazardous) from the factory on monthly basis and Management is aware of environmental local law requirements, policies, and procedures and as well factory has conducted environmental monitoring test reports from third party as per the legally required i.e. drinking water, waste water, noise, lux and emission. However, factory has not obtained environmental NOC (No Objection Certificate) from PEPA (Punjab Environmental Protection Agency) as per legal requirements and the issue highlighted under PA 12.3 indicating a lack of an integrated system for environmental protection.

This is partially in compliance with local law Punjab environmental protection agency regulations 2012 section 4, because factory has developed a series of initiatives for environmental protection but not meeting the requirement of environmental legally permits. Therefore this finding is rated as partially.

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

ENGLISH

Finding

It was noted during documents reviews and management interviews that factory has not obtained environmental NOC (No Objection Certificate) from PEPA (Punjab Environmental Protection Agency) as per legal requirements.

This is partially in compliance with local law Punjab environmental protection agency regulations 2012 section 4, because factory has developed a series of initiatives for environmental protection such as conducted environmental monitoring testing reports from third party as per the legally required i.e. drinking water, waste water, noise, lux and emission and as well developed environmental policies and procedures to implemented the environmental requirement into the factory, which is stated that factory has committed

Finding

to implement the system into the factory related to environmental requirement. Therefore, this finding is rated as partially.