

A report on Corporate Social Responsibility Performance in RMG Sector



BD KD Limited





United International University

Internship Report

Course Code: INT-4399

Report on Corporate Social Responsibility Performance in RMG Sector of BD KD Limited

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Subject: Submission of Internship Report on “Corporate Social Responsibility Performance in RMG Sector of BD KD Limited”

Dear Ma’am,

I am submitting my Internship Report, which is a part of the BBA Program curriculum. It is great achievement to work under your supervision. This report is on, **“Corporate Social Responsibility Performance in RMG Sector of BD KD Limited.”** I have got the opportunity to work in BD Knit Design Limited in both Accounts department and HR & Compliance department. This report is the result of the knowledge which I acquired from the respective course

This Report included by the theoretical and practical knowledge. Very first I learned the renewed RMG culture and regulations. Secondly through these all I developed the corporate connections.

I will be obliged thereby if you show your generosity by receiving by report. I hope you will find the report very informative and very useful related to the relevant topic.

Sincerely yours,

Md. Ali Imam Tushar

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Acknowledgment

At the very first, I would express my gratitude toward Allah for allowing me to complete my intern in a renewed company and give me the strength to perform the responsibility with honesty. I am very thankful to my intern supervisor **Ishrat Jahan, Assistant Professor, United International University**, for her valuable advice and guideline to complete the report within a given period. Without her guidelines, it would not be possible for me to complete the report. I would also like to show my sincere gratitude toward the BBA of United International University that integration between the theoretical knowledge and corporate environment. Last but not the least I am thankful to Md. Al Mamun, Manager (Accounts) and Md. Mahbubur Rahman Uzzal, Manager (HR & Compliance) of **BD Knit Design Limited**. There were my comrade and seniors who gave me suggestions, who inspired me also. There was a very friendly environment.

Abstract

This report aims to focus on the area of Corporate Social Responsibility of RMG sector in Bangladesh. The Bangladeshi garments sector is a leading garment manufacturing industry in the world that has continuously been growing during the last decades. Along with bringing blessings for the nation, the textile and RMG industry also holds the record of experiencing some worst industrial accidents in the country. The Ready-made garments (RMG) sector of Bangladesh has got a higher facet bevel than any other sector in terms of growth and foreign exchange earnings. The USA and EU buyers set guidelines to Readymade garments (RMG) industry that they must practice CSR activities in the garments industry. The owners of the garments industry have to implement the CSR activities in all garments factories.

This report has 7 chapters. The first chapter is all about the Corporate Social Responsibility of BD Knit Design Limited, the ultimate fact of the study, objective of the study, and methodology of the study and limitation of the study. In chapter two, I discussed about the company profile, vision & mission, organizational structure, SWOT analysis of company, and organization export earnings. In chapter three, discussion about the Background of Corporate Social Responsibility, objective of the Corporate Social Responsibility, CSR practices in RMG and CSR practices in BD Knit Design Limited. In chapter four, discussed about the Social Compliance and its benefits and social compliance audit. In chapter five, discussed about the contribution of the companies in CSR and compare between BD Knit Design Limited and Matrix Sweater Limited with graphical chart. In chapter six, I discussed about the Recommendation. In chapter seven, discussed about the conclusion and reference.

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Chapter One: Introduction

Background of the study

I have taken a course “Internship” (INT-4399) under **Ishrat Jahan** (my course instructor). She has assigned practicing preparing a report of a company where I am working as an Internee as a course requirement. I have chosen BD KD Limited for my report because I am working here in the ‘Accounts Department’ and I found BD KD Limited as one of the best manufacturing firms in the country. So I chose this organization to explore new knowledge, which will help in my career options.

In BD KD Design Limited, I’m responsible for key journal entries into general ledger system, assist in reconciling cash receipts to the general ledger, preparing various weekly payroll entries, assist in the preparation of monthly financial statements & analyzing information by developing spreadsheet reports and verifying information. It gave me a lot knowledge and enhanced my experience because I have no idea about that. Now, I can use this knowledge and experience in my next jobs.

Academic courses and assignments and reports related to the courses benefit me in a real sense when it comes to practical application in my life. Academic courses help students by giving chances to work in the practical field and by allowing them to deal with real problems in the fields by applying theoretical knowledge, which makes the students realize the benefits of the knowledge.

It is known by all that every readymade garment company plays a vital role in the economic conditions of every country. The manufacturing company is one of the essential segments of the financial infrastructure of any country. The readymade garments company usually transfer investment, increasing employment opportunity and government revenue.

Purpose of Internship

Internship is a program where an internee gets himself benefited by hands-on and real-world experience in a particular job field. It enables in terms of:

- Conduct and integrate my knowledge and skills from the classroom
- Exploring where further competence needed
- Take steps for gaining competitive advantages under education supervision
- Become better conversant with related work settings types where such competence must be applied

Objectives of the study

The broad objective of this study is to assure the performance of BD KD Design Limited. This study was conducted to achieve some other specific objectives which are given below:

- To understand the concept of Corporate Social Responsibility (CSR)
- To understand the importance of CSR in over RMG Sectors
- To get the idea of Corporate Social Responsibility
- To present CSR practices of BD Knit Design Limited
- To focus the impact of CSR activities by BD Knit Design Limited
- To observe the scenario of CSR practices in the readymade garments (RMG) industry

Methodology

Sources

To conduct this report, a group discussion with different employees from different departments was used as a primary source, which helped to gain information regarding the company's financial performance. A wide range of charts is used to convert the results in percentage form, which will be found in [chapter 5](#) part of the report. With a view of preparing the report, some secondary data were also required which are given below:

- Annual reports
- Study of related books
- Internet (Google)

Other Sources

I was working as an internee in BD KD Limited under the supervision of Manager (Accounts) (MD Al Mamun). I could gather information regarding the company's financial performance. I also collect information from the manager (HR & Compliance) (Md. Mahbubur Rahman Uzzal). And the other side, some of the people from BD KD Limited took part in this report by facilitating for gathering information to boosting up the excellence ratings.

Scope of the study

This report provided anonymous information and knowledge about the Readymade Garments (RMG) sectors. While working in BD KD Limited, I got to know the cultures within the firm. The day-long working of BD KD Limited gave me a depth idea of the practical activities of the business sector and provided me with information to choose RMG business sectors as a career aspect. This report has enriched my knowledge and provided information about the importance of the Readymade Garments company sectors in economic activities.

Limitations of the study

There are some limitations of this report which are given below:

- i. The primary source might not be able to provide the correct information due to the security issue and policies & obligations of the RMG company
- ii. The management discussion might be a little bit different because of having extra pressure for the upcoming Annual General Meeting (AGM).

Chapter Two: Overview of the company

Background:

BD knit design ltd is one of the reputed renewed knitting industries, which started its journey in 2007 with a vision to be the absolute market leader. BD knit design ltd is a private company full range of RMG facilities as per the directives of BGMEA. BD knit design ltd. is dedicated to excellence in merchandising, product development, production, work-study, supply chain logistic, and human resources development. BD knit design ltd. is always committed to product quality, timely delivery and value offering. BD knit design ltd has the ability to effectively blandish high quality of raw material sat competitive pricing. BD knit design ltd, has a wide range of product development capabilities.



Figure 1: BD KD Design Limited's Industry

BD knit design ltd. is using their manpower and machine capabilities to produce almost 87,500 Dzn (basic items) of product per month. BD knit design ltd. is well equipped with its own inbuilt store for fabric and accessories, they have trained supervisors' latest hi-tech machines the factory comfort to the necessary quality standards. BD knit design ltd. is now in position to handle total waterproofing for garments. A unique new concept in the manufacturing category in the RMF sector, BD knit design ltd. one main goal is that demands the strongest of basic elements for success. They want to reach the high of perfection, winning the hearts and minds of the clients about their quality of product and they are always committed to the achievement of perfection.

Commitment of perfection:

A willing, smiling source from which BD knit design ltd. they draw their strength and tailor production to your absolute satisfaction.

Creditability	Something we never Compromise
Commitment	Something we have developed in ourselves.
Customer Satisfaction	Something we earn with our growth

BD knit design ltd. is committed to making a difference in the Readymade garments sector of Bangladesh. BD knit design ltd. is only produces quality products but also they help their workers to make them quality professionals. BD knit design ltd. always understands its men and its needs. BD knit design ltd. is trying to a unique model in the RMG sector. BD knit design ltd. believes that a secure environment ensures maximum productivity. They are walking toward that goal. BD knit design ltd. always believes that this company is a family and we are all its members. Their working condition, management, quality assurance, human resources development all that aimed at attains perfection. BD knit design ltd. aim to reach Bangladesh's position in the global garments market and BD knit design ltd. are proud to be contributing to the country's socio-economic development. BD knit design ltd. believe that their continuous efforts that help the company to reach the highest posing in Bangladesh and also to earn a good reputation in Bangladesh as well as abroad.



Figure 2: Overview of Warehouse

Mission & Vision:

Mission

- To Customers: Total satisfaction through on-time deliveries of quality products and services
- To Employees: Good work environment and compliance with national and international rules
- To Society: Creation a better tomorrow

Vision

- ❖ To be one of the leading knit garments companies in Bangladesh and maintaining world-class standards and to create job opportunities.
- ❖ The company philosophy is to provide maximum satisfaction to our operational efficiency.
- ❖ To be the most respected and world Class Company in the global knit garments sector.

- ❖ Building a true marketing-led enterprise with a motivated workforce, innovative vision and strong revenue-based product portfolio, customer satisfaction and understanding of the global market.
- ❖ The main vision of the company is to be the most reputed and world Class Company in the global knit garments sector.
- ❖ To train up the workers and employees and technicians as per the demand of the competitive world global market.

Profile Overview:

Name	BD KNIT DESIGN LTD.
Short name	BDKD
Company establishment	2007
Floor space and floors	18500 square feet (each floor), 2 floors
Management	Chairman – MD. Habibur Rahman Managing Director – Kazi Ahsanul Haque Director – Syed Aftab Hossain General Manager – MD. Dulal Mia
Address	Corporate office: house# 14, Road# 04, Sector: 03, Uttara, Dhaka-1230 Factory : Sharifpur, National University, Gazipur, Bangladesh
Number of workers	600
Number of machines	300 set
Product line	12
Main market	USA, EUROPE, CANADA
Production lead time	45 days
Annual Turnover	USD 16 Million
Type of company	100% export oriented
Associate Business	KD KNIT PRINT KD KNIT KNITTING
Certification status	ACCORD, OEKO-TEX, BSCI certified
Factory area	37000 square feet

Table 1: Profile Overview of BD KD Design Limited

Major Customers:

ELCORTE INGLES	Spain
PIAZZA ITALIA	Italia
OFF TEX AG	France
INDITEX	Europe
SOULCAL & CO.	UK
USC SOVIET	UK

PUNTOROMA	Spain
MANCHESTER UNITED	UK
OODJI	Russia
ORCHESTRA	France
TAKKO	Germany

Table 2: Major Customers of BD KD Design Limited

Production Range:

Basic T-shirt	Fashionable T- shirt	Fleece Jacket	Basic Polo Shirt
Fashionable Polo shirt	Dress (Ladies or Kids)	Basic Trouser	Fashionable Trouser
Boxer Shorts	Ladies & Men's Tank Top	Ladies Fancy Item	

Table 3: Items that produces usually

BD knit design ltd. Department:

Finance & Accounts Department:

This department deals with all financial activities of BD knit design ltd. This department control all the activities like credits, payments, inventory control, financial control, financial reports and many more. This department also audits all the other departments every year. This department is the blood of the BD knit design ltd.

Commercial Department:

Commercial department deals with all kinds of export-import related activities. BD Knit Design Ltd. has a unique commercial team dedicated to the willful marketing of its goods and timely shipping. This team is the backbone of this company.

Purchase Department:

This department operates all the purchase-related activities for the factory operation & production. This department controls all the activities of processing, production planning, ordering machining and equipment, ready the purchase order and so on.

Accessories Department:

This department deals with all kinds of production-related accessories that the factory needed. BD knit design ltd. always need an advanced machine for the factory.

HR & Admin Department:

This department plays a vital role in this factory. This department deals with the worker's staff. This department's responsibility is to provide administrative information. This department deals with management systems, payroll, and human resources.



Figure 3: HR & Admin Department of BD KD Design Limited

Merchandising Department:

Merchandising department is a vital process that involves planning, developing, executing and dispatching the order (product) to the buyers. BD Knit Design Limited merchandising department always active about their work as well as guiding and supervising for the successful processing of an order.

Organizational Structure:

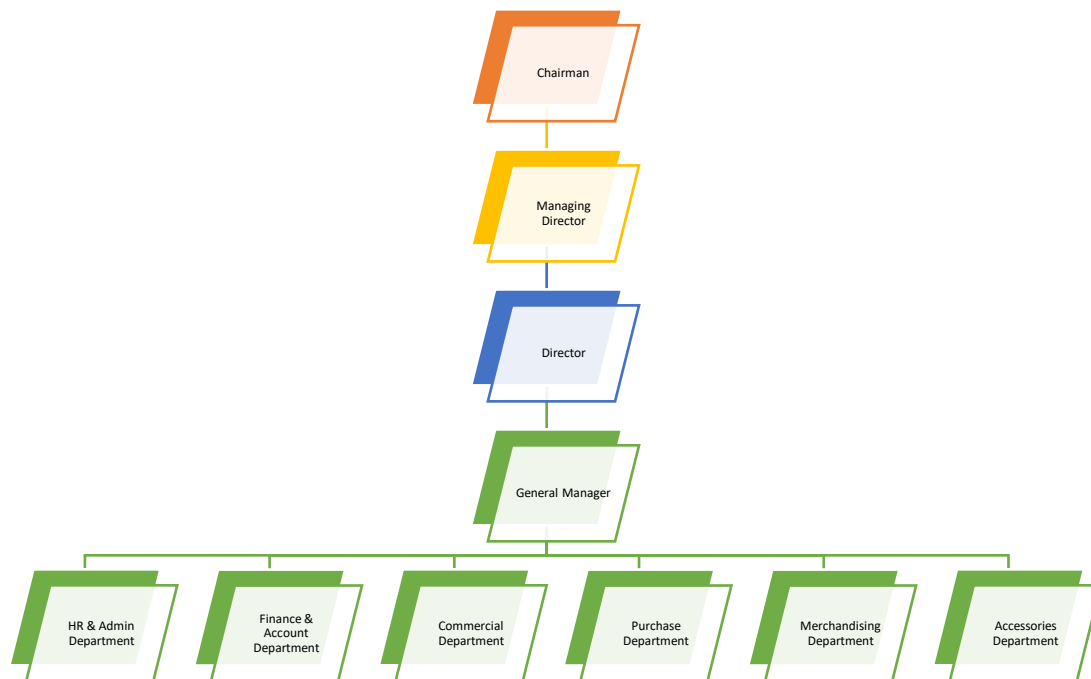


Figure 4: Organizational Chart

SWOT analysis of BD knit design ltd.:

SWOT analysis is all about company internal and external ability and lacking.

Strength	- 100% export oriented - Update machineries used in the factory - Increase garments production line - Strong communication via email, internet - Merchandising team always maintain an excellent relation with the foreign buyers - All type of garments item produce according to order - Ensure workers safety	Weakness	- Small number of merchandising team - Lack of investor to invest - Poor marketing tactics - Lack of training programs - Communication gap between staff and owners
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Opportunities	- Knitwear's demand is increasing day by day - Large Europe and middle east market demand - Bangladesh government increase opportunities to invest in the Readymade Garments sector - Raw materials price increase in china market so it is a huge opportunity for Bangladesh	Threats	- Political environment in Bangladesh is not stable - Bangladesh natural resource decrease day by day - Always maintain the standard quality of product - Improvement of fire protection is low - Big threat of natural calamities
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Table 4: SWOT analysis of BD Knit Design Limited

BD knit design ltd. Export Earning:

BD knit design ltd. produces all most 87,500 Dzn (basic item) of product by using their manpower and capabilities. BD knit design ltd. never compromises the quality of product. They always maintain the quality standard of products. BD knit design ltd. has well equipped and its own inbuilt store for fabric and other accessories. Their supervisors are well trained about the latest hi-tech machine and try to maintain the quality standard. BD knit design ltd. always delivery the order product on time. BD knit deign ltd. the most important goal is that the high of perfection, winning the hearts and minds of their clients/buyers. BD knit design ltd. highest export earning was during the years 2016 and 2017. After the "Rana plaza" collapse it was very difficult to all factory to export product after fulfill the buyers all condition that they impose to all the factories in Bangladesh. BD knit design ltd. is well determine that they are exporting their product to their European buyers after fulfill their all conditions. This following table and diagram show the yearly Export Earning:

Years	Amount (taka)	Years	Amount (taka)
2015	1003,363,200.00	2017	1119,484,800.00
2016	1163,030,400.00	2018	972,496,000.00

Table 5: Earnings over the year

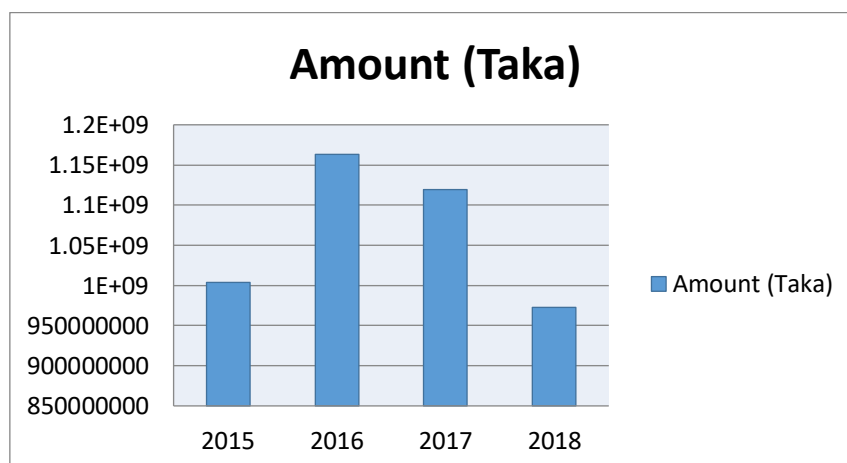


Figure 5: Export Earnings

The above diagram shows that in the yearly Exporting Earning during the years 2015, 2016, 2017 and 2018. In 2016 and 2017 BD knit design ltd. their exporting earning was so good but in the year 2018, their exporting earning is not so good. BD knit design ltd. is trying to catch their estimate selling target day by day.

Chapter Three: Corporate Social Responsibility

Corporate Social Responsibility has been defined as “the integration of business operations and values whereby the interests of all stakeholders, including customers, employees, investors and the entire environment are reflected in the organization policies and actions”. Corporate social responsibility (CSR) has become an important issue of concentration among companies. A recent global survey shows that almost 77% of managers believe that corporate social responsibility contributes effectively to the long term shareholder value, and 57% of them agree that sustainability helps their companies to build a strong reputation.

Corporate social responsibility refers to social responsibility that every organization should perform in their business activities. Corporate social responsibility is accepted and organized currently across the global corporation as a social dimension of business. Corporate social responsibility in Bangladesh has a long history of philanthropic activities from the time immemorial. This activity includes a donation to different charitable organizations, poor people, mosque, temples and other religious institutions. They are also involved in community development in a different area and they develop management structures to address social and environmental issues. In Bangladesh, there is no type of categories of CSR available in RMG sector, banking sector, national and multinational organization



Figure 6: Corporate Social Responsibility

Objective of corporate social responsibility:

- To establish a strong based of motivation, substantiated by an effective cultural corporate world.
- To establish a friendly working environment so that owners and investors are practicing CSR effectively.
- To organize a voluntary and corporate philanthropic activity to develop the community.
- To conducting business in a positive way and in the interests of the wider community that's socially balanced.

- To introduce CSR as an effective tool to develop the four phases of the company such as economic, legal, ethical, and philanthropic.
- To create a positive relationship between the external and internal stakeholders of the companies, especially of the RMG, bank, national or multinational companies owners.

There is no unique dimension of CSR two way of dimension such as-

1. Internal dimension
2. External dimension



Figure 7: Dimensions of Corporate Social Responsibility

Internal dimension includes:

- Human resources management and development practices
- Health and safety practices at the workplace
- Environment practices in the workplace
- Social and environmental practices in the company
- Employee skill development
- Keeping product standards and responsibility through the work

External dimension includes:

- Supply chain management
- Educational programs
- Global environmental programs
- Contribution to Civil society organization
- Contribution to local community development
- Contribution to cluster development

There are four main things of CSR:

Economic	Responsibility to earn profit for owners
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Legal	Responsibility to comply with the law
Ethical	Not acting for the profit, but doing what is right, just and fair
Philanthropic	Promoting human welfare and goodwill being a good corporate citizen contributing to the community and quality of life

Table 6: Factors of Corporate Social Responsibility

Background of CSR:

Basically, the vital catalyst in the focus of the relationship between business and comes from the idea of Milton Friedman. He believed that the social responsibility of business is to increase profit (Friedman. 1970). During the 1970s, the development of corporate social reports was initiated and supported through practical use by established accounting firms such as Ernst and Young. Due to the newly established concept of corporate social reports, deficiencies of social reporting have become almost acceptable. However, the concept that was brought by Friedman and the deficient practice by companies was short-lived. It was seen that the community had increased their demand for better and more complete information about social accounting as a basis for better decision making (Gibson, 2004).

According to Luan (2005), corporate social responsibility is concerned about what businesses do and how their actions impact the environment and society at large. Therefore, it is not just about creating wealth alone but doing it responsibly. He added, many companies acknowledge and recognize that corporate social responsibility should be at the heart of the corporate governance agenda. Holt (2004) defines corporate social responsibility as a matter of reporting the impact of an organization's activities on a range of stakeholders, which consist of investors, employees, customers, regulators, government, communities. It focuses on the policies and practices of the company regarding issues of human rights, community involvement and environmental impact and sustainability. Doing CSR is simply not enough. Rather, how companies involve and communicate CSR actions to customers and shareholders. It speaks a lot of their reputation, brand, as well as their products and services. Ultimately it would affect their customers. This indicates that the importance of corporate social reporting or the disclosure of information."

"In the 1950s, the primary focus was on businesses' responsibilities to society and doing good deeds for society. In the 1960s, key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s, business managers applied the traditional management functions when dealing with corporate social responsibility issues, while in the 1980s, business and social interest came closer and firms became more positive to their stakeholders. During the 1990s, the idea of corporate social responsibility became almost universally approved; also corporate social responsibility was coupled with strategy literature and finally, in the 2000s, corporate social responsibility became an important strategic issue."

Corporate social responsibility practices in Readymade garments (RMG):

Bangladesh is a developing country in the third world. Bangladesh has a high and wide range of foreign revenue of the earning sector, which is the readymade garments industry locally known as the RMG sector. In Bangladesh, there are private and public companies, national and multinational companies and non-government organization and so on. Corporate social responsibility as an effective means and positive social image of the organization as well as a healthy working environment for the employees.

The ready-made garments (RMG) sector of Bangladesh has got a more significant improvement than any other sector in terms of growth. It makes a significant contribution to the national economy by creating opportunities. In this sector, we have got handsome foreign earning exchange money than any other sector. The present study has made a search on different dimensions of contribution and challenges of RMG industry in Bangladesh. The RMG industry contributed significantly through the creation of a physical infrastructure, which is an indicator of 4222 RMG units along with the development of human capital as around 4 million workforces are directly attached in this industry. It has also contributed in such a manner through empowering women as almost 90 percent of its labor force is female which ranked the highest in South-East Asia. In terms of core economic take into account RMG holds almost 14.07 percent of the GDP of Bangladesh as well as the 81 percent of the total export earnings.

In the RMG sector, many of private and public industry they follow corporate social responsibility (CSR). Many of the industry they contribute money in social development, community development, education development, infrastructure development and many more. Contributions of all public and the private industry they spend their profit money through fulfilling the commitment.

The US and EU buyers set guidelines to Readymade Garment (RMG) industry to ensure the standards. The 1992 Harkin's Bill and following consumer and industry boycott of RMG products by USA and the serving remedial moves by the local RMG sector is one example. Some buyers from EU have visited the sites of recently closing some garments factories. Business people need to focus on the implications of CSR for business activities in their industry. Companies are facing the challenges of accommodating effectively to the changing environment in the RMG sector. Although the Consumer Rights Movement, enforcement of government regulations and a structured view regarding the economic importance of CRS are not yet so widespread in the corporate world in Bangladesh, companies have gradually been joining more importance to CSR in the local market as well. They are increasingly aware of CSR. Companies can contribute to social and environmental objectives by integrating CSR as a strategical investment into their core business strategy, management instruments and operations.



Figure 8: Practices in readymade garments

Corporate social responsibility practices in BD Knit Design Ltd.:

KD knit design ltd is the renowned knitting company in the RMG sector. They contribute money to infrastructure development, education development, community development, social development and many more. They donate 10% of net profit for this development. BD knit design ltd. they always concern about child labor activities. Labor age under 19 is strongly prohibited to work in the company. BD knit design ltd. Always give priority to the female workers and a big number of female workers are working in this company. As we know that in South Asia, Bangladesh especially gives priority to the female workers where India, Pakistan, Srilanka, Nepal are growing low. In Bangladesh, their activities are growing high day by day. Almost 90% of female workers are working in many garments industries around Bangladesh.

1. Education:

BD knit design ltd. Always support for education. They donate their money in many schools, colleges where poor students are not taking their proper education. The scholarships are given basing on the SSC and HSC exam results and the duration of the scholarship generally 4 to 5 years to the local schools' students. Under the program, students receive tk.2000 per month and a lump-sum grant of tk.10000 is given annually to purchase books and for paying tuition fees in the year 2017 to the local all schools. The company also provide around 300 new scholarship of tk. 1000 per month every along with continuing scholarship for those studying at SSC level in the year 2016.



Figure 9: Education Sector

2. Disaster relief:

Bangladesh faces various kinds of natural calamities like floods, storms, and cyclone every year. Considering the sufferings of common people introduced the following programs the people of the affected areas: Financial supported for rehabilitation of landslide victims Chittagong. BD knit design ltd donate money to helpless, poor people. In every year flood, they donate money to the flood-affected peoples. They also provide money or cloth to the cyclone-affected people. Donation and distribution of 50000 litter clean drinking water and medicine to the cyclone-affected people. BD knit design ltd. They are continuing to distribute or donate worm cloth to the poor people in the winter season. They especially distribute this cloth to the north district people where peoples are so poor and they also distribute cloth to the street children in the winter.



Figure 10: Disaster relief sector

3. Social Welfare:

BD knit design ltd. always arranges and participates in different social programs. BD knit design ltd. donates money for social welfare programs. Tree produce oxygen for us to live but every year we cut tree and destroy the forest which is causing serious dangerous for the human being. That's why; BD knit design ltd. donates money for tree plantation. Every year management of BD knit design ltd. arranged social welfare programs.

- | | |
|--|---|
| ✓ Tree plantation | ✓ Observation 16 th December the great victory day |
| ✓ Mosque for prayer | ✓ Observation international mother language day |
| ✓ Wazz-Mahfil | ✓ Celebrating Bangla New Year (Pohela Baishakh) and so on. |
| ✓ Iftar party in Holy Ramadan | |
| ✓ Social programs | |
| ✓ Skill development programs | |
| ✓ Observation 26 th march the great independent day | |

4. Environment:

BD knit design ltd. promised to be environmentally and socially responsible within the organization by focusing on the well being and sustained development of the people working in the factory as well as their aspirations, efforts, achievement. The company has been keeping watch on the environmental and social impact of proposed undertakings. BD knit design ltd. always practices environment and eco-friendly activities. In Bangladesh now a day's environmental sustainability is the most

important and emerging issue at the present for the Bangladesh entrepreneur after Tazneen and Rana plaza incidents. BD knit design ltd. always considers their buyers demand and they always keep their factory clean and improve their technology to achieving their goals. BD knit design ltd. is committed to their buyers to always continuing their eco-friendly activities. The goals of sustainable development of BD knit design ltd. are-

- Clean water
- Sanitation
- Affordable and clean energy
- Factory innovation structure
- Water-efficient dyes and chemical
- Rainwater harvesting
- Chemical Storage and handling
- Reduce, Reuse, Recycle (3R) of water
- Use of solar panel



Figure 11: Environmental Sector

5. Safety & Health Alliance:

A safe and healthy workplace is considered to be a right for every workers/employees. BD knit design ltd. is always working on that. Workplace injuries are increasingly nowadays. In all developing countries, it is becoming the most critical issue. BD knit design ltd. concern about that. Company every year donate money for the employee health issue. The company provides health insurance for every worker, free ambulance service, free medical treatment if any workers are seriously injured. BD knit design ltd is following building structure and conditions of the factory building structure. Most of the workers are belong to the low-income family they have no enough money for treatment if he/she is seriously injured. In that condition, BD knit design ltd. always stand with their poor employees and try to help them.



Figure 12: Safety & Health Alliance

Chapter Four: Benefits of Social Compliance

Social Compliance

Social Compliance / Social Accountability is an important parameter in international business today and especially in RMG sector, buyers from major global markets, are increasingly insisting on obedience to social compliance norms in the organization. And ensure that the organization's commitment based on some factors like as –

- Willing compliance with employment, health safety, and environment
- Respect for basic civil & human rights, and
- Betterment of community and surrounding

It is a continuing process in which the involved parties keep on looking for better ways to protect the health, safety, and fundamental rights of their employees, and to protect and enhance the community and environment in which they operate.

Benefits

For Workers -

- ✚ Extend opportunities to organize trade unions and contract collectively.
- ✚ A tool to educate workers about core labor rights.
- ✚ An opportunity to work directly with business on labor rights issues.

For Business -

- ❖ Drives company values into action.
- ❖ Prolong company and brand reputation.
- ❖ Improves employee recruitment, retention and productivity.

Major Focuses Areas -

- | | |
|--------------------------------------|----------------------------|
| ✓ Prohibition of forced labor | ✓ Hours of work |
| ✓ Prohibition of child labor | ✓ Eco-Friendly environment |
| ✓ Prohibition of harassment or abuse | ✓ Customs compliance |
| ✓ Prohibition of discrimination | ✓ Security |
| ✓ Compensation and benefits | ✓ Fire and building safety |

Social Compliance Audits:

In Bangladesh there are many local and international social compliance audits are currently covering the whole RMG sector. America based buyers under the supervision of US government formed the program called "Alliance" on the other hand Europe based buyers under the supervision of labor union representatives, trade bodies have formed the program as called "Accord."

Accord = "A clear commitment to improving the industries infrastructure fire and building safety condition."

Alliance = "A clear commitment to ensuring the worker's safety."

What is Accord?

The Accord is an agreement between companies and unions, governed jointly. Worker representation is essential if the effort to protect workers is to succeed. Under the Accord, all unsafe factories will be renovated and repaired with brands guaranteeing funds will be available for the necessary safety.

Under the Accord, the right of workers to refuse dangerous work, including the right to refuse to enter a dangerous building, is protected. After all, the investigation will be made available to worker representatives and they will be notified right away of any oncoming safety threats. The Accord on Fire and Building Safety in Bangladesh (the Accord) was signed on 15 May 2013. The Accord 2018 is known to be an independent, legally binding agreement aiming to ensure to work towards a safe and healthy garment industry in Bangladesh. This agreement was very much essential aftermath of the "Rana Plaza" building collapse and the death of more than 1100 people and injured more than 2000 peoples. BD knit design ltd. progress rate is 98%. BD knit design ltd. is always concern and committed to fulfill accord all requirements.



Figure 13: ACCORD Alliance

Fundamental Goal of Accord

Building infrastructure development, as well as fire safety, is the fundamental goal of Accord. BD knit design ltd is primarily concern with the life safety aspect and fire protection.

- ❖ Fire prevention
- ❖ Early fire warning
- ❖ Containment of fire
- ❖ Safe exits

What is Alliance

The Alliance is also known as "the Alliance for Bangladesh workers safety ". This is now an important issue after "Rana Plaza" collapse. The Alliance for Bangladesh worker's safety is a legally binding five years commitment with the intent of improving safety in Readymade Garments (RMG). The Alliance holds each number and their factories are accountable to ensure a safe workplace for the workers and also effective in ensuring building and fire safety.. Collectively, Alliance members represent the majority of North American imports of ready-made garments from Bangladesh, produced in more than 700 factories. BD knit design ltd. also committed to fulfilling their requirement and they are ensuring the building and fire

safety in their factory. Compliance always guides the company to attain better working conditions. Thus, enabling everybody to work in a neat and tidy risk-free environment. BD knit design ltd. offers better service facilities which compliance department to oversee to execute on the ground. Compliance of every aspect of offering by BD knit design ltd. is being supervised by the compliance department.



Figure 14: Strikes of RMG Sector's Workers

Fundamental goals of Alliance

The main vision is that the alliance will substantially improve the worker's safety in the readymade garments factories. The alliance helped to develop fire safety standards in the factories. The alliance is working on achieving its vision and implements those.

- Worker empowerment
- Fire and building safety training of factory workers and management
- Development and implementation of a common standard for inspection

Chapter Five: CSR Contribution

Contribution of the companies:

This diagram shows that the total contribution by two companies where BD knit design ltd. is in the highest position both in 2017 and 2018. The remarkable issue is BD knit design ltd. donates in CSR 10% of annual Net profit where Matrix sweaters ltd donates in CSR 9% of annual Net profit. But the observable things are that BD knit design ltd. the amount of contribution in CSR decreased during 2018.

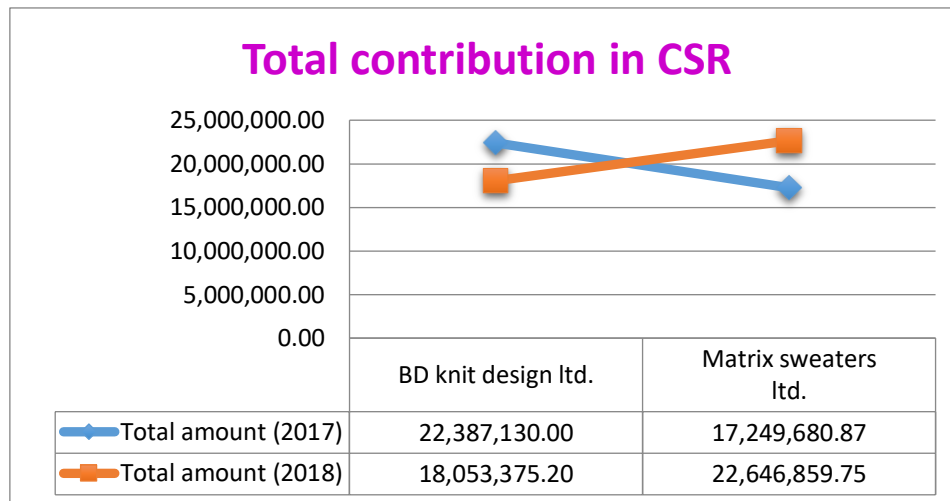


Figure 15: Total Contribution in CSR of two companies (taka)

Contribution to Education:

The most common and important contribution sector is Education. Almost all the company donates a healthy amount here. This table & diagram shows that the contribution of two companies during 2017 & 2018.

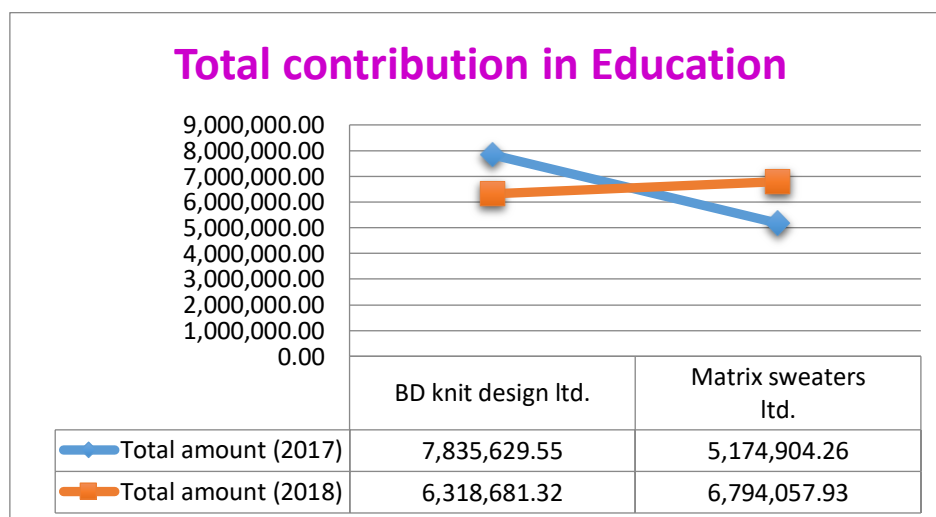


Figure 16: Total Contribution in Education (taka)

The above diagram simply shows that the contribution of two companies during 2017 & 2018. In 2017 BD knit design ltd. was in the highest position contributing more than Matrix sweaters ltd. but in the year 2018 Matrix sweaters ltd. was contributing more than the BD knit design ltd.

Contribution to social welfare:

Contribution to social welfare simply signifies the contribution in the sector like tree plantation, social programs, skill development programs and many more. Two companies are contributing a handsome amount here. The following table and diagram show the contribution of two companies during 2017 & 2018.

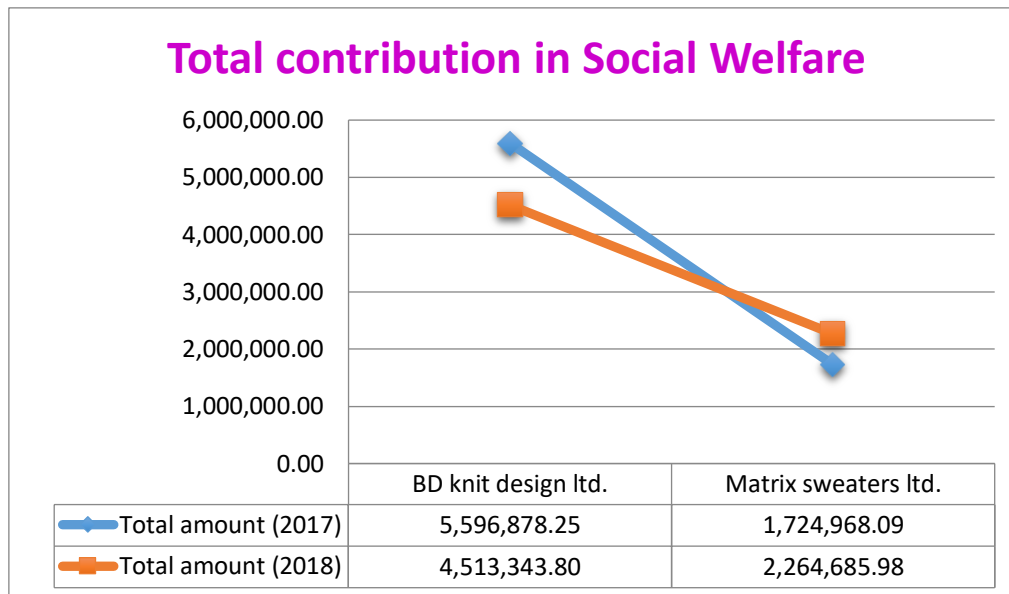


Figure 17: Total Contribution in Social Welfare (taka)

The above diagram shows that the contribution in the social welfare of two companies during 2017 & 2018. Here we see that, in 2017 & 2018 BD knit design Ltd. was the highest position of contributing more than the Matrix sweaters Ltd. Matrix sweaters Ltd. was contributing money less than BD knit design Ltd. both the years 2017 & 2018.

Contribution to Natural Disaster:

As we know that natural disaster is a very common topic in our country. Many Ready-made garments industries are contributing a healthy amount at the time of various natural disasters. BD knit design Ltd. and Matrix sweaters Ltd. both the company donates money in the flood-affected areas, cyclone-affected areas, donates cloth to the poor peoples and many more. The following table and diagrams show that the contribution of money during 2017 & 2018.

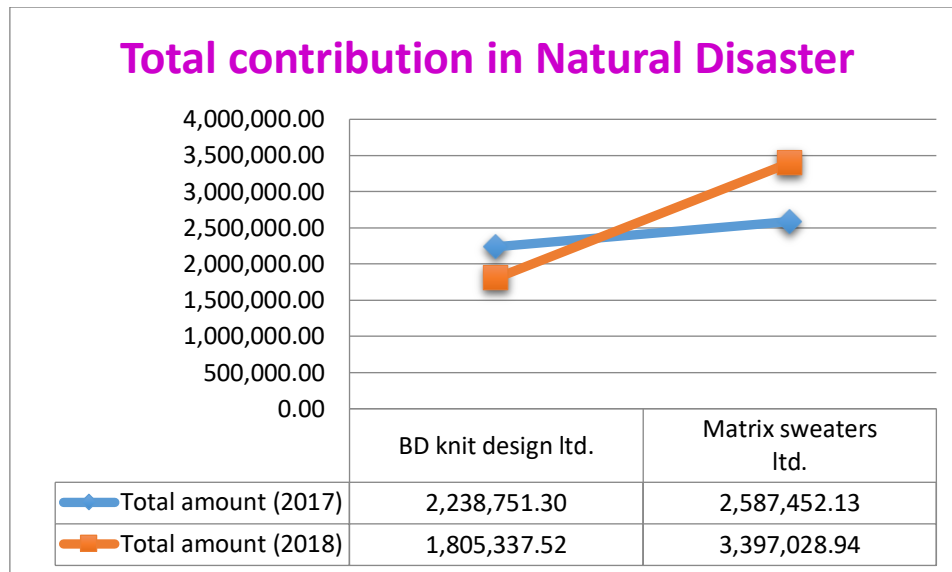


Figure 18: Total Contribution in Natural Disaster (taka)

The above diagram simply shows that the contribution of two companies in the natural disaster sector during 2017 & 2018. In this diagram, we see that in the years of 2017 & 2018 BD knit design ltd. was contributing less money than the Matrix sweaters ltd. Matrix sweaters ltd. was contributing the highest money to the natural disaster sector during the years 2017 & 2018.

Contribution to Environment:

The environment is a major issue nowadays. Every factory should concentrate on how the factory keeps clean as well as the natural environment to keep healthy. Bangladesh government should enforce the law that all factories should have their own ETP plan. BD knit design ltd. always concern about environmental issue like 3R, use clean water, sanitation, own solar panel and many more. The following table and diagram show that the donation of money during 2017 & 2018.

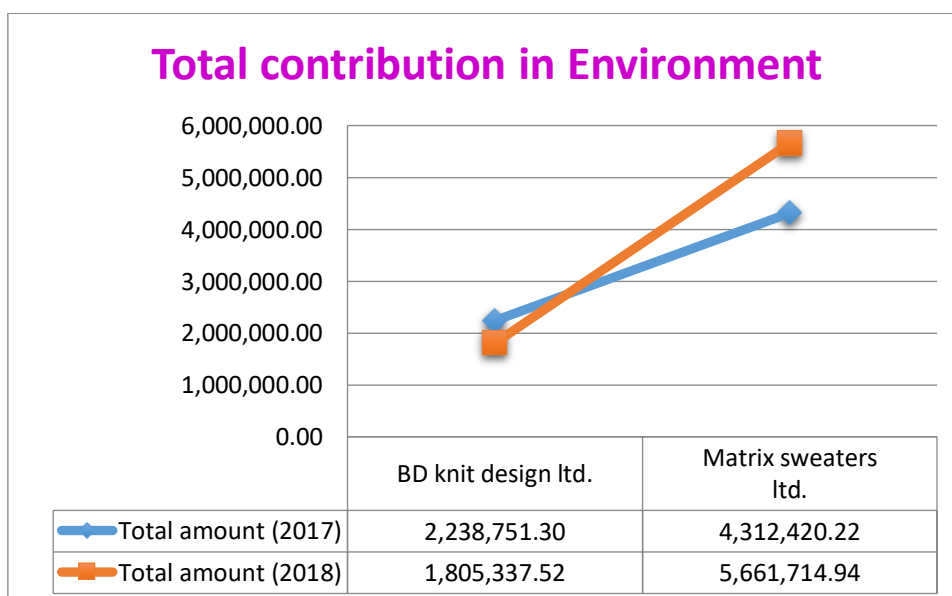


Figure 19: Total Contribution in Environment (taka)

The above diagram shows that the contribution of two companies in the environment during the years 2017 & 2018. Matrix sweaters ltd. was contributing the highest money in 2017 & 2018 where BD knit design ltd. was contributing the lowest money during the years 2017 & 2018.

Contribution to Health & safety:

Contribution to health and safety is the most important and significant issue nowadays. Contribution in health and safety in the sector like free ambulance service, free medical treatment, health-related issues. The following table and diagram show that the contribution to health and safety during 2017 & 2018.

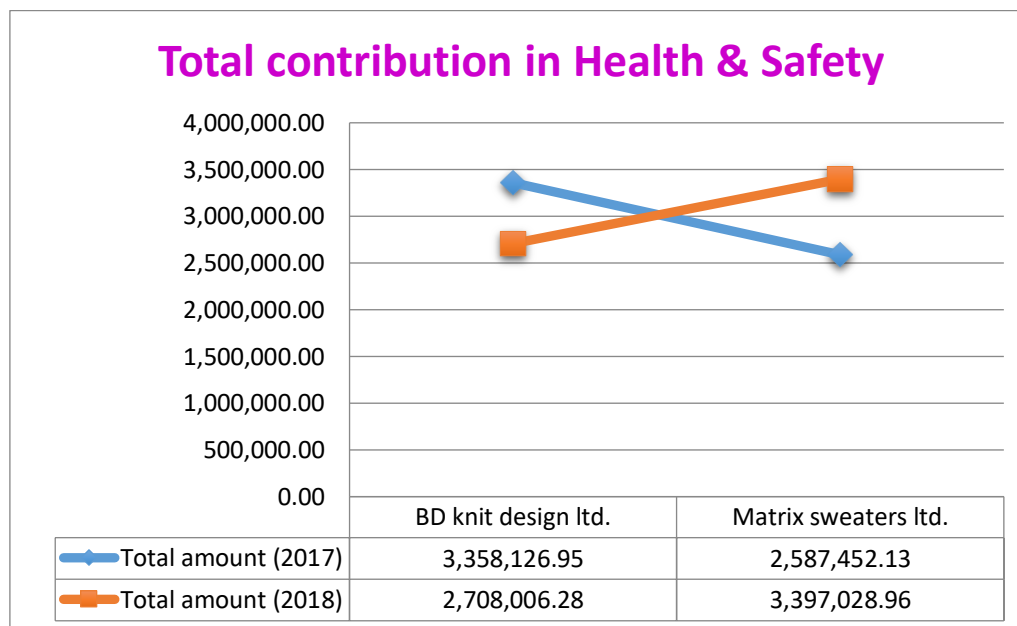


Figure 20: Total Contribution in Health & Safety (taka)

The above diagram shows that the contribution of two companies I health and safety during 2017 & 2018. In 2017 BD knit design ltd. was contributing the highest money than the Matrix sweaters ltd. But in the year 2018 BD knit design ltd. was contributing less money where Matrix sweaters ltd. was contributing the highest amount.

Contribution to Others:

Contribution to others means simply signifies the contribution in sector like as donation to local clinic, a donation to the orphanage, donation poor peoples, donation to sports and many more. The following table and diagrams show that the contribution of money between two companies during 2017 & 2018.

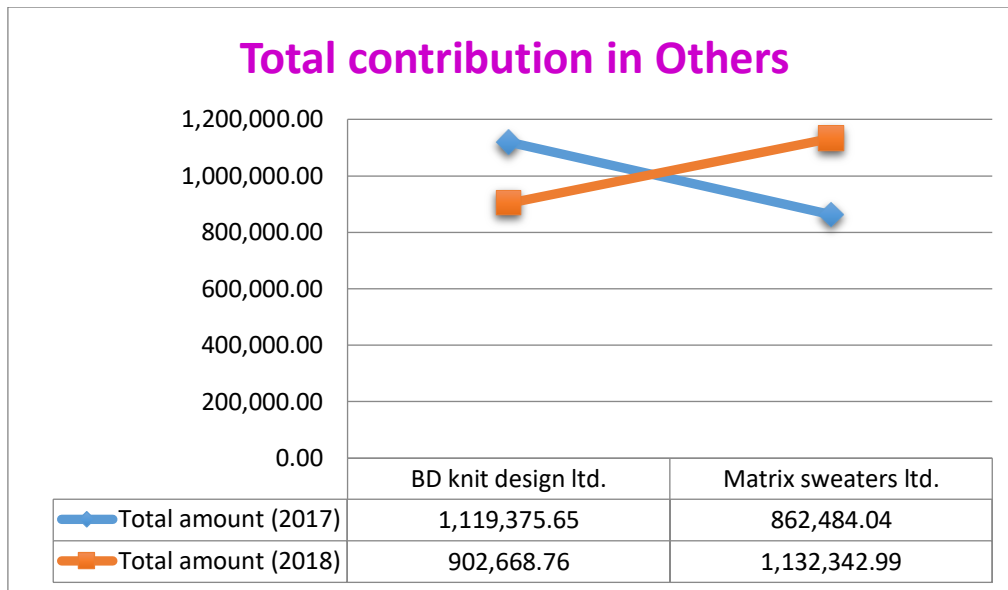


Figure 21: Total Contribution in Others (taka)

The above diagram shows that the contribution of two companies during the years 2017 & 2018. In 2017, BD knit design ltd. was contributing the highest amount than the Matrix sweaters ltd. But in 2018, Matrix sweaters ltd. was contributing the highest amount than the BD knit design ltd.

Chapter Six: Recommendation

Recommendation:

The increasing demands of the overseas from buyers of EU and US are forcing RMG companies as well as all developing countries in general and that of Bangladesh all readymade garments industry should create the effective policies of CSR activities.

The following issues may be suggested to ensure CSR activities practices more effective in the ready-made garments industries:-

- BGMEA should create awareness among all factories to increase their CSR activities.
- BD knit design ltd. should develop a separate structure for conducting their CSR activities.
- Most importantly, BD knit design ltd. should focus more on branding by using their CSR activities.
- BD knit design ltd. should concentrate more on scholarship programs for poor students to promote their CSR activities.
- BD knit design ltd. should create more awareness regarding their CSR activities among mass people by means of advertisements and publicly through various media as well as social media.
- RMG owners must pay attention to their worker's social welfare, health and safety and buyers should help to increase the supply chain efficiency through investing in the backward industry.
- Different companies almost neglect CSR, but CSR plays a vital role in developed countries.
- CSR can be more effective if it is extended to actions of capacity building through institutional development, assistance in technology and developing production process to ensure cost savings, waste minimization and increased productivity.
- BD knit design ltd. should initiatives transportation facilities for the workers and staff. This will save both time and money of the employees.
- Complying with the standard of CSR following the competitive international firm and organizations. BD knit design ltd. should follow all guidelines of BGMEA and Bangladesh government regarding CSR.
- Bangladesh government should enact a new law for ensuring that all the ready-made garments industries should follow the Social Corporate Responsibility act.
- CSR activities may be well practiced through developing a dynamic workforce and working culture that demonstrates respects for each other, openness and fairness.
- CSR may be used to human resources management and development practices, health and safety practices, environmental practices and it will be a positive sign for the KD knit design ltd.
- BD knit design ltd. should increment the fund for CSR activities.

CSR activities in Bangladesh are essential to the improvement of corporate governance, labor rights, workplace safety, and fair treatment of workers, community development and environment management and industrialization can be ensured in the RMG sector.

CSR is very much important in trade unions in corporate sectors, especially for the Ready-made garments industry is in priority due to ensuring a better working environment and creating a good relationship between the workers and the owners.

Chapter Seven: Conclusion & References

Conclusion:

Bangladesh is the least developing country and is a fast-growing economy powered by the readymade garments (RMG) industry, which is promoted the country in the world through the motto “Made in Bangladesh.” The readymade garments (RMG) industry has become the lifelines of Bangladesh economy and sharing the major part of the country export earnings. This internship report mainly deals with Corporate Social Responsibility (CSR) in the RMG Sector. CSR movement has gathered great momentum over the past number of years and is now regarded as being at this most prevalent. CSR is nowadays a major issue for both private and public organization, especially in the readymade garments (RMG) industries. Nowadays, readymade garments sectors face several remarkable tragedies that indicate the need of CSR in the RMG sector. Corporate Social Responsibility is a relatively new and rapidly developing phenomenon. Lack of enough practicing CSR could harm Bangladesh’s competitiveness as a supplier of readymade garments. Corporate Social Responsibilities have emerged as a major issue in Bangladesh RMG sector. It is very important that all the factories in Bangladesh should implement CSR practices. There are so many barriers in the development activities. CSR practices in the Readymade garments sector the focus remains on addressing three main issues of CSR- (a) labour right and workplace condition, (b) environmental management & (c) Involvement in Social and Community development & Philanthropic activities. International stakeholders like as buyers, customers and investors, they play a vital role in the CSR practices in the RMG Sectors. Foreign buyers are more concerned about the CSR practices in RMG Sectors with the application of labor, workplace and environment-related CSR issues that protect its business in the foreign market and the most significant sources of export earnings at 76% of the total.

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