




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1077417	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1010551
Business name (Company name):	Denim Clothing Company		
Site name:	Denim Clothing Company Unit 4		
Site address: <i>(Please include full address)</i>	Plot No H-2, A/1, Sector 5, Korangi Industrial Area, Karachi.	Country:	Pakistan
Site contact and job title:	Muhammad Zubair, Group Manager System & Compliance		
Site phone:	+922135070661	Site e-mail:	compliance@denimclothing.biz
SMETA Audit Type Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	16-17/01/2019		

Audit Company Name & Logo: 	Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Denim Clothing Company
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here
(e.g. different sample size):

Auditor Team (s) (please list all including all interviewers): Taj Hussain / Jameel Khatri

Lead auditor: Jameel Khatri

Team auditor: Taj Hussain

Interviewers: Taj Hussain (62 Workers)

Report writer: Jameel Khatri

Report reviewer: Sadaf Pyarali

Audit Company Report Reference: 9007251

Date of declaration: 17/01/2019

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9:45 Day 1 Time out: 18:45	Day 2 Time in: 9:30 Day 2 Time out: 17:30	Day 3 Time in: NIL Day 3 Time out: NIL
B: Number of auditor days used:	4 Man-days (2 Auditor for 2 days)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Muhammad Zubair, Group Manager System & Compliance		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	29-30/01/2018		
J: Previous audit type:	2 Pillar		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NIL		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no registered Union in the Factory		

Guidance:

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.

6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

Corrective Action Plan – non-compliances

Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
Health and Safety 3	N	1. Description of non-compliance: During facility visit it was noted that few cutting & overlock machine operators were found working without facemask. ETI code and Local Law requirement: Rule 12 (c) of the Hazardous Substances Rules, 2003: Protective clothing and equipment comprising helmet or cloth cap, safety spectacles or goggles, respirators or masks, rubber or plastic gloves and work boots, shall be available for all workers who may be exposed to hazardous substance,	<input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Recommended corrective action Factory shall provide relevant PPEs to all workers in the factory.	30 days	Desktop	Mr. Muhammad Zubair, Group Manager System & Compliance	Desktop Review 24/1/2019 Through desktop review of the evidence submitted by the factory it was noted that factory has taken appropriate corrective action and provided facemask to all relevant workers, workers were found wearing proper PPEs	Closed

		and no workers shall be permitted on job unless and until he is wearing such protective clothing and equipment.							
Health and Safety 3	N	<p>2. Description of non-compliance: During factory visit it was noted that 06 stitching machines safety guards like finger guard & pulley cover not installed.</p> <p>ETI code and Local Law requirement: Section 30. (1) of Sindh Factories Act 2015: In every factory the following shall be securely fenced by the Safeguards of substantial construction which shall be kept in position while the parts of machinery required to be fenced are in motion or in use, namely - Fencing of machinery. 12 (a) every moving part of a prime mover, and every fly wheel connected to a prime mover;</p>	<input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>Recommended corrective action Factory shall install proper safety guards on all machines.</p>	30 days	Desktop	Mr. Muhammad Zubair, Group Manager System & Compliance	<p>Desktop Review 24/1/2019</p> <p>Through desktop review of the evidence submitted by the factory it was noted that factory has taken appropriate corrective action and installed safety guards and pulley covers on relevant machines, evidence were accepted and closed the non-conformity</p>	Closed
Health & Safety -03	N	<p>3. Description of non-compliance: During factory visit it was noted drinking water</p>	<input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	<p>Recommended corrective action Factory shall provide drinking</p>	30 days	Desktop	Mr. Muhammad Zubair, Group Manager	<p>Desktop Review 24/1/2019</p>	Closed

		<p>cups were not provided at ground floor.</p> <p>ETI code and Local Law requirement Rule 41(1) of The Sind Factories Rules, 1975: In every factory there shall be provided free of charge for the use of the employees of the factory a supply of water fit for drinking at the rate of one gallon per day for every person employed in the factory. (5) The water required to be provided under sub-rule (1) shall be kept in clear, and suitable vessels shall be renewed daily and call practicable steps shall be taken to preserve the water and the vessels ire which it is contained from contamination.</p>	<input type="checkbox"/> Other – please give details:	<p>water cups at drinking water points</p>			<p>System & Compliance</p>	<p>Through desktop review of the evidence submitted by the factory it was noted that factory has taken appropriate corrective action and placed drinking water cups near the drinking water points, the evidence was accepted and closed the non-conformity</p>	
Health & Safety -03	N	<p>4. Description of non-compliance: During factory visit it was noted first aid box was empty on second floor finishing section.</p> <p>ETI code and Local Law requirement Sindh Factories Rule 1975 section 94(1); in</p>	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>Recommended corrective action Factory shall provide sufficient supplies in first aid boxes.</p>	30 days	Desktop	<p>Mr. Muhammad Zubair, Group Manager System & Compliance</p>	<p><u>Desktop Review 24/1/2019</u></p> <p>Through desktop review of the evidence submitted by the factory it was noted that factory has taken appropriate corrective action and placed sufficient quantity of first aid appliances in the relevant box for the</p>	Closed

		every factory there shall be maintained in good working condition First aid appliances as specified in Appendix I. The First aid Appliances shall be placed under the charges of responsible person, who knows to use them and shall be kept in readily accessible place within the factory. The work First Aid shall be clearly painted on the box						use of workers, evidence was found appropriate and closed the non-conformity	
Health & Safety -03	N	<p>5 Description of non-compliance: During factory visit it was noted that fly catcher was not installed in workers canteen.</p> <p>ETI code and Local Law requirement WEST PAKISTAN FACTORIES CANTEENS RULES, 1959 (6) The doors and windows shall be of fly-proof construction and shall allow adequate ventilation</p>	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Recommended corrective action Factory shall provide fly catcher to prevent eating place from flies	30 days	Desktop	Mr. Muhammad Zubair, Group Manager System & Compliance	<p>Desktop Review 24/1/2019</p> <p>Through desktop review of the evidence submitted by the factory it was noted that factory has taken appropriate corrective action and installed fly catcher in workers canteen, to avoid risk of food contamination, evidence was accepted and closed the non-conformity</p>	Closed
Health & Safety -03	N	<p>6. Description of non-compliance: During factory visit it was noted that rubber mat was missing under</p>	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	Recommended corrective action Factory shall provide rubber mats under all electric panels	30 days	Desktop	Mr. Muhammad Zubair, Group Manager System & Compliance	<p>Desktop Review 24/1/2019</p> <p>Through desktop review of the evidence submitted by the factory</p>	Closed

		<p>electric panel near compressor area.</p> <p>ETI code and Local Law requirement Rule 62(1) of The Sind Factories Rules, 1975: 62. (1) In every factory, all electrical circuits or part of such circuits or any object electrically connected with them whether commonly or occasionally in an electrified condition, which by reason of their position could cause injury to any person, shall be protected adequately, either by non--metallic fencing or insulation or by both, in such manner as to remove danger of injury</p>						<p>it was noted that factory has taken appropriate corrective action and placed rubber mats under the electric panel</p>	
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Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
NIL	NIL	NIL	NIL	NIL

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Good examples		
Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
Living <u>Wages</u> 05	Factory is provided free transportation to the workers	During workers interview and documents review

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:	Muhammad Zubair	Title Group Manager Systems & Compliance Date 17/01/2019
B: Auditor Signature:	TH/JK	Title Date 17/01/2019
<p>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</p>		
<p>D: I dispute the following numbered non-compliances: NIL</p>		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
<p>F: Any other site Comments: NIL</p>		

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a "root cause"

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



For more information visit: Sedexglobal.com

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>