

SMETA Corrective Action Plan Report (CAPR)

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	Keya Knit Composite Ltd.	
Site country:	Bangladesh	
Site name:	Keya Knit Composite Ltd.	
Parent Company name (of the site):	Keya Group	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	14 th & 15 th March, 2015	

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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:

Please check appropriate SMETA Audit Type in the above box:

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Management systems and code implementation,
 - Entitlement to Work and Immigration,
 - Sub-Contracting and Home working

4-Pillar SMETA Audit

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics

The new ETI Working Hours Clause

- Now integrated into this latest SMETA version.

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





Audit Company Name: ALGI Bangladesh	Report Owner (payee): Keya Knit Composite Ltd. <i>(If paid for by the customer of the site, please remove for Sedex upload)</i>
<i>Sedex Company Reference:</i> <i>(only available on Sedex System)</i>	S-Not Provided
<i>Sedex Site Reference:</i> <i>(only available on Sedex System)</i>	P-Not Provided

Audit Conducted By			
<i>Commercial</i>	<input checked="" type="checkbox"/>	<i>Purchaser</i>	<input type="checkbox"/>
<i>NGO</i>	<input type="checkbox"/>	<i>Retailer</i>	<input type="checkbox"/>
<i>Trade Union</i>	<input type="checkbox"/>	<i>Brand Owner</i>	<input type="checkbox"/>
<i>Multi-stakeholder</i>	<input type="checkbox"/>	<i>Combined Audit (select all that apply)</i>	

<i>Auditor Reference Number:</i> <i>(If applicable)</i>	
--	--

Audit Details

Audit Details			
A: Report #:	17154		
B: Time in and time out <i>(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)</i>	Day 1 Time in: 10:30 Day 1 Time out: 19:13	Day 2 Time in: 10:02 Day 2 Time out: 19:05	
C: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	02 Auditors at day 01 & 02 Auditors at day 02		
D: 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 - Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 04 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If No , why not? <i>(Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)</i>	N/A		
G; 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		
H: Auditor name(s) and role(s):	Md Ataur Rahman (Lead Auditor), Mohammad Shanjid Rahman Shaheen (Auditors)		
I: Report written by:	Md Ataur Rahman		
J: Report reviewed by:			
K: Report issue date:			
L: Supplier name:	Keya Knit Composite Ltd.		
M: Site name:	Keya Knit Composite Ltd.		
N: Site country:	Bangladesh		
O: Site contact and job title:	Mr. Md. R A Shohel, Deputy General Manager		
P: Site address:	Jorun, Konabari, P.S. Gazipur Sadar, Dist- Gazipur, Bangladesh		

(Please include full address)				
Site phone:	+880 (2) 9297779, +880-1713-454351			
Site fax:	+880 (2) 9297778			
Site e-mail:	sohel@keya-bd.com			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	<u>Factory Licence No-</u> 13030/Gazipur, Valid Up to 31 st December, 2015. <u>Trade License No-</u> 01412/112/2014-15, Valid Up to 30 th June, 2015.			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Knit Garments			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Mr. Md. R A Shohel, Deputy General Manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Mr. Md. R A Shohel, Deputy General Manager Mr. Golam Kibria- DGM (Utility) Mr. Md. Kazim Uddin, DGM (Admin) Ms. Pinkey Roy, Officer (HR & Compliance) Ms. Nasrin Akter, Asst. Welfare Officer, Mr. Md. Abdul Jalil, Sr. Officer (HR & Admin) Mahmuda Easmin, Officer (HR & Compliance) Mr. Mamunur Rashid, Asst. Officer (HR & Compliance) Mr. Imran Hossain, Cutter man, WPC - Member			
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (Workers Participation Committee) <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	20 th March, 2014			
Z: Previous audit type:	N/A	SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define: Not Applicable			

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)

Note: it is not mandatory to complete this column at this time.

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>
1. Freedom of Association No-2		<u>In accordance with Bangladesh Labour Law 2006, Section- 205 (6) & Amendment 2013</u> It was noted through documents review, management interview and workers interview that the members of participation committee were found selected by the management instead of election among workers.	Lack of awareness	It is agreed by the facility management that they would make worker's participation committee by election.	180 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy General Manager		
2. Safety and Hygienic Conditions No-3		<u>In accordance with Fire License</u> It was noted through	Lack of monitoring	It is agreed by the facility management that	180 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy		

		documents review and management interview that the fire licence of the facility was found in old format where area of coverage was not mentioned. Noted that the facility has already applied for the new fire licence.		they would try to get the fire licence quickly.			General Manager		
3. Safety and Hygienic Conditions No-3		<u>In accordance with Factory Rules 1979, Section- 58 (1)</u> It was noted during facility visit that the dining capacity of this facility was not covering 30% of total workers. 800 workers were able to have food in the dining area at a time instead of 1530 workers where 5100 workers were found working in general shift time.	Lack of monitoring	The facility management agreed that they would increase the sitting capacity in worker's dining hall for 1530 workers at a time.	180 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy General Manager		
4. Safety and Hygienic Conditions No-3		<u>In accordance with Factory Rules 1979, Section-43</u> It was noted during facility	Lack of awareness.	It is agreed by the facility management that they would	60 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy General		

		visit that the sacks of salt were found stacked in excessive height approx. 10 feet or above at chemical store in ground floor.		remove the sacks which were kept in excessive height.			Manager		
5. Safety and Hygienic Conditions No-3		<u>In accordance with ETI base code- 3.1</u> It was noted through documents review that no temperature test report was found for the different sections of the production area.	Lack of monitoring	It is agreed by the facility management that they would take initiative to do the temperature test quickly.	60 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy General Manager		
6. Safety and Hygienic Conditions No-3		<u>In accordance with Fire Service Ordinance, 1959, (E.P. Ord XVII of 1959), Fire Service Rules, 1961, Standard IX</u> It was noted during facility visit that no smoke detectors were found in finished goods shed and chemical shed.	Lack of monitoring	It is agreed by the facility management that they would make sure all areas are covered with smoke detectors.	60 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy General Manager		
7. Safety and Hygienic Conditions No-3		<u>In accordance with Factory Rules 1979, Section-93-</u> (In every	Lack of monitoring	It is agreed by the facility management that	60 days	Desktop	Yes/ Mr. Md. R A Shohel, Deputy		

		<p>factory where five hundred or more workers are ordinarily employed there shall be appointed at least one welfare officer, and when the number of workers exceed two thousand, one welfare officer shall be appointed for every two thousand workers or a fraction thereof)</p> <p>It was noted through documents review and management interview that facility has only one welfare officer instead of 04 as facility has 6,000 or more workers.</p>		<p>they would appoint three more designated welfare officers with in short period of time.</p>			General Manager		
--	--	---	--	--	--	--	-----------------	--	--

Corrective Action Plan – Observations				
Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination</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>



SMETA Corrective Action Plan Report (CAPR) (Version 5.0 Dec 2014)



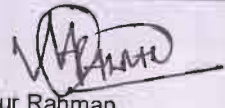


No.7				

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
Wages and Benefits No-05	Attendance bonus, festival bonus.	Document review



Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:	Mr. Md. R A Shohel	 	Title- Deputy General Manager Date- 14 th & 15 th March, 2015
B: Auditor Signature:	Md Ataur Rahman		Title: Lead Auditor Date- 14 th & 15 th March, 2015
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.			
D: I dispute the following numbered non-compliances:			
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)	Mr. Md. R A Shohel	 	Title- Deputy General Manager Date- 14 th & 15 th March, 2015
F: Any other site Comments:			

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.

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 A & AB members:

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

Click here for B members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d



For more information on Sedex please go to www.sedexglobal.com
or email helpdesk@sedexglobal.com
