




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1062396	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS:1021262
Business name (Company name):	Pretty Sweaters Ltd.		
Site name:	Pretty Sweaters Ltd.		
Site address: <i>(Please include full address)</i>	Holding No.: 222, Chaidana, National University, Gazipur Sadar, Gazipur, Dhaka	Country:	Bangladesh
Site contact and job title:	Mr. Ali Hossain – General Manager Admin HR & Compliance.		
Site phone:	+ 8801992055750	Site e-mail:	Alihossain.psl@prettygroupbd.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	2 & 3 August 2017		

Audit Company Name & Logo: 	Report Owner (payee): Pretty Sweaters Ltd.
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>	Brand Owner	<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 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 SMT IA Declaration.

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

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Management systems and code implementation,
 - 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):

Audit duration: The audit duration took less time than expected as the audit support of facility management was very prompt, very transparent and no discrepancies found during the audit process.

Auditor Team(s) (please list all including all interviewers):

Lead auditor: Chandramallika Ghosh

Team auditor: Md. Abul Hasan, Asadur Rahman, A.Z.M Zakaria, Abdullah Muktadir

Interviewers: Md. Abul Hasan, Asadur Rahman, A.Z.M Zakaria, Abdullah Muktadir

Report writer: Chandramallika Ghosh

Report reviewer: Nawar Tazrian

Date of declaration: 08 August 2017

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			
B: Time in and time out	Day 1 Time in: 10:00 hours Day 1 Time out: 18:00 hours	Day 2 Time in: 10:00 hours Day 2 Time out: 17:00 hours	Day 3 Time in: NA Day 3 Time out: NA
C: Number of Auditor Days Used:	6 man-days (3 Auditors in Day 1 and 3 Auditors in Day 2)		
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: 4 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		
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		
T: Who signed and agreed CAPR (Name and job title)	Mr. Ali Hossain – General Manager Admin HR & Compliance.		
Is further information available (if Yes please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Y: Previous audit date:	5 January 2017		
Z: Previous audit type:	Follow up		
Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not	Not applicable.		

<p>present please explain reasons why (only complete if no worker reps present)</p>	
<p>E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)</p>	<p>Trade Union is not mandated by law. The facility has formed participation committee for worker representation.</p>

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>
Working condition are safe and hygienic 3.1 and Bangladesh Energy Regulatory Act 2003, Sec 27(a)	New	It was noted through documents review, facility visit and management interview that, Facility has 04 generators with total capacity of 4.4 MW but facility management has collected CPP Licenses for 4.125 MW. As a result, facility did not have 275 KW waiver permission from concern authority.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of awareness	It is recommended that facility management should take waiver permission from concern authority for rest 275 KW.	180 days	Desktop	Yes Mr. Ali Hossain – General Manager Admin HR & Compliance.	Upload required evidence in SEDEX database to verify the issue.	Open

Working condition are safe and hygienic 3.1	New	It was noted through facility visit that eye wash facility was not found at chemical (Polyelectrolyte and poly aluminium chloride) dilution area located in ETP.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details:	It is recommended that facility management should install eyewash in mentioned area.	60 days	Desktop	Yes Mr. Ali Hossain – General Manager Admin HR & Compliance.	Upload required evidence in SEDEX database to verify the issue.	Open
Working condition are safe and hygienic 3.1 & Bangladesh Labour Rules 2015, Rule 54 (10)	New	It was noted through facility visit and management interview that there was no internal release mechanism (rope, ladder or net) from the bare windows of the facility.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of awareness	It is recommended to facility management that facility should install internal release mechanism (ladder or net) from the bare windows of the facility.	60 Days	Desktop	Yes Mr. Ali Hossain – General Manager Admin HR & Compliance.	Upload required evidence in SEDEX database to verify the issue.	Open
Working condition are safe and hygienic 3.1 & Building Construction Act 1952 Section 3	New	It was noted through facility tour and building construction approval plan review that ETP area, fire control room & security room (building-2, appx. 150 square feet), RMS room (building 3, appx. 150 square feet) were not included in the approved building construction plan.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of awareness	It is recommended to facility management that facility should have construction approval for the mentioned area.	180 Days	Desktop	Yes Mr. Ali Hossain – General Manager Admin HR & Compliance	Upload required evidence in SEDEX database to verify the issue.	Open
Working	New	It was noted through facility	<input type="checkbox"/> Training	It is recommended	60	Desktop	Yes	Upload required	Open

<p>condition are safe and hygienic 3.1 & Bangladesh Labour Rules 2015, Rule 353 (1)</p>		<p>tour and approved machine layout review that some mismatches were found as follows: i) Part winding section at 1st floor was shown as auto fabric panel in approved layout ii) Part winding and auto placket sections at 7th floor were shown as auto placket in approved layout</p>	<p><input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>to facility management that facility should have approved machine layout for the mentioned areas.</p>	<p>Days</p>		<p>Mr. Ali Hossain – General Manager Admin HR & Compliance.</p>	<p>evidence in SEDEX database to verify the issue.</p>	
<p>Working condition are safe and hygienic 3.1 and Bangladesh Labour Rules 2015, Rule 67</p>	<p>New</p>	<p>It was noted through facility tour that i) 50% employees were not wearing face mask in linking section at 2nd, 4th and 6th floor of building 1 ii) 10% employees were not wearing ear plug in jacquard section at 1st, 3rd, 5th and 7th floors of building</p>	<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>	<p>It is recommended to facility management that facility should ensure that all the employees wearing relevant PPE.</p>	<p>60 Days</p>	<p>Desktop</p>	<p>Yes Mr. Ali Hossain – General Manager Admin HR & Compliance.</p>	<p>Upload required evidence in SEDEX database to verify the issue.</p>	<p>Open</p>

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>
Working condition are safe and hygienic 3.1 and fire license.	New	It was noted through facility visit and management interview that emergency lights were not found at knitting distribution room, Quality Inspection room located at 3rd floor, sample room located at 1st floor of production building.	Lack of monitoring	It is recommended that the facility should ensure sufficient emergency lights in the mentioned area. Corrective action taken: It was noted through facility tour that the facility had installed sufficient emergency lights in the mentioned area.
Working condition are safe and hygienic 3.1 and Client Fire Safety Standards	New	It was noted through facility visit that yarn stack height was found more than 2.1 meter in yarn store at basement and 8th floor of building 1.	Lack of monitoring	It is recommended that the facility should store yarn stacks in yarn store at basement and 8th floor of building within 2.1 meters. Corrective action taken: It was noted through facility tour that the facility had stored yarn stacks in yarn store at basement and 8th floor of building within 2.1 meters.

Client Specific Requirement:	New	It was noted from facility tour and management interview that the facility has posted Supplier Protector Line in a common place for easy visualization of the employees.	Not applicable	Not applicable
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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
1.living wages are paid ETI base Code 5.1	Facility provides attendance bonus to all employees as per company policy.	Documents review, employee and management interview.
2.Living wages are paid ETI base Code 5.1	Facility provides production bonus all piece rate employees as per company policy.	Documents review, employee and management interview.
3.Living wages are paid ETI base Code 5.1	Facility provides special allowance to jacquard operator as per company policy,	Documents review, employee and management interview.

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:	Mr. Ali Hossain	Title: General Manager Admin HR & Compliance. Date : 3 Aug 2017
B: Auditor Signature:	Chandramallika Ghosh, Md. Abul Hasan & Asadur Rahman	Title: Lead Auditor & Team Auditors Date: 3 August 2017
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: None		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
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.

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



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