




# SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1077083	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 3897838
Business name (Company name):	Aliza Fashion Limited		
Site name:	Aliza Fashion Limited		
Site address: <i>(Please include full address)</i>	CHAYDANA, NATIONAL UNIVERSITY, GAZIPUR	Country:	Bangladesh
Site contact and job title:	Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
Site phone:	+88-01716853853	Site e-mail:	<a href="mailto:amin@eastwestindpark.com">amin@eastwestindpark.com</a>
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	12 <sup>th</sup> & 13 <sup>th</sup> November, 2018		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payee):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  <b>Aliza Fashion Limited</b>
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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): None

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: Marzia Rahman

Team auditor:

First Day: Marzia Rahman, Shibshankar Dey

Second Day: Marzia Rahman, Tamal Saha

Interviewers: Tamal Saha, Shibshankar Dey, Marzia Rahman

Report writer: Marzia Rahman

Report reviewer: Mazharul Anwar

Date of declaration: 12th & 13th November 2018

*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: 09:45 hrs Day 1 Time out: 16:30 hrs	Day 2 Time in: 09:05 hrs Day 2 Time out: 16:30 hrs	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of Auditor Days Used:	Four Man Days Day 1 (12/11/2018): Two man-day Day 2 (13/11/2018): Two man-day		
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 – 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 <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
H: Is further information available (if Y please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	15 <sup>th</sup> September 2017		
J: Previous audit type:	Periodic (two pillar)		
K: Was any previous audit reviewed during this audit	<input checked="" 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 present please explain reasons why (only complete if no worker reps present)	Not applicable		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There is no trade union at this facility and it is not mandated by law. However, the facility has formed a participation committee.		

### 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](http://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](http://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

<b>Non-Compliance Number</b> <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	<b>New or Carried Over</b> <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	<b>Details of Non-Compliance</b> <i>Details of Non-Compliance</i>	<b>Root cause</b> <i>(completed by the site)</i>	<b>Preventative and Corrective Actions</b> <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>	<b>Timescale</b> <i>(Immediate, 30, 60, 90, 180, 365)</i>	<b>Verification Method</b> <i>Desktop / Follow-Up [D/F]</i>	<b>Agreed by Management and Name of Responsible Person:</b> <i>Note if management agree to the non-compliance, and document name of responsible person</i>	<b>Verification Evidence and Comments</b> <i>Details on corrective action evidence</i>	<b>Status</b> <i>Open/Closed or comment</i>
Working condition is safe and hygienic: 3.1 and Factory Fire License:	New	All fire escape masks stored with other firefighting equipment on each floor were found expired more than two years. It is evident that other equipment for putting out fires is not regularly maintained and inspected.	<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	Facility management is recommended to ensure that all fire equipment is up-to-date and regularly inspected.	30 days	Desktop	Yes - Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
Working conditions are not safe and	New	A 6 storied building linked with Building#4 which was commonly used for Aliza Fashion Limited had no fire safety permit.	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs	Facility management is recommended to obtain fire safety permit for the	30 days	Desktop	Yes - Md. Aminul Islam,		



hygienic: 3.1 & Fire Protection and Prevention Act, 2003, Section-4:		Based on document review and management interview, it was noted that the management has applied to the Fire Service Department in January 2017 to obtain fire safety permit for this building.	<input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details: NA	mentioned building.			In-Charge (Admin, HR & Compliance)		
Working condition are safe and hygienic: 3.1 & Bangladesh Labor Law 2006, Chapter- 6, Section – 62 (7):	New	During plant tour it was observed that secondary evacuation routes at sewing section on the 3 <sup>rd</sup> and 4 <sup>th</sup> floor of building#4 were not clearly marked.	<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	Facility management is recommended to ensure that all evacuation routes of production floor are clearly marked.	30 days	Desktop	Yes - Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
Working condition are safe and hygienic: 3.1 & Bangladesh Labor Rules 2015, Rule 64(2):	New	No needle guard has been installed for approximately 50% sewing machines on the production floor. Moreover, machine safety guards for approximately 30% sewing machines were not correctly installed (misplaced).	<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	Facility management is recommended to install needle guards properly to protect workers from injury.	30 Days	Desktop	Yes - Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
Working condition are safe and hygienic: 3.1 & Bangladesh Labor Rules 2015, Rule 353	New	It was noted through facility tour and management interview that the floor layout plan for building#6 (6 storied) has not yet been approved by the inspector general of Labour department. Management stated that they have reached out the labour department to obtain a floor lay out permission but it would be lengthy as the building is still under construction.	<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.	Facility management is recommended to obtain floor layout permission from the concerned authority.	30 Days	Desktop	Yes - Md. Aminul Islam, In-Charge (Admin, HR & Compliance)		
Freedom of Association and Right to Collective	New	Facility management has established a participation committee through election, held on 28th March 2016 which has been expired. Management stated that the	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	Facility management is recommended to arrange election to establish a new workers' participation	60 Days	Follow Up	Yes - Md. Aminul Islam, In-Charge		

Bargaining are Respected: 2.4 & Bangladesh Labor Rules 2015, Rule 197 (2)		next election would be held soon which has been discussed in the workers' participation meeting.	<input type="checkbox"/> Other – please give details: NA	committee.			(Admin, HR & Compliance)		
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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>
NA	NA	NA	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details: NA	NA

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 wages are paid 5.1	Facility management provides attendance bonus to all employees for 100% attendance as per company policy.	Document review, Management & employee interview.
Living wages are paid 5.1	Facility management provides educational facility to under privileged children of their employee.	Document review, Management & employee interview.

**Confirmation**

<p><b>Please sign this document confirming that the above findings have been discussed with and understood by you:</b> (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>		
<p>A: Site Representative Signature:</p>	<p>Md. Aminul Islam</p>	<p>Title: In-Charge (Admin, HR &amp; Compliance)                  Date: 13th November 2018</p>
<p>B: Auditor Signature:</p>	<p>Marzia Rahman, Tamal Saha</p>	<p>Title: Lead Auditor &amp; Team Auditor                  Date: 13th November 2018</p>
<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:</p> <p>Not applicable</p>		
<p>E: Signed:                  (If <u>any</u> entry in box D, please complete a signature on this line)</p>		<p>Title                  Date</p>
<p>F: Any other site Comments: As per Accord &amp; Alliance DEA recommendation we are doing retrofitting work and for this reason few section / area is disorganized at this moment and relocated temporarily. Also De-activated the hydrant &amp; Detection system for building remediation work.</p> <p>Not available</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.

**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](http://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:**

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[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)