




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



| Audit Details | | | |
|---------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Sedex Company Reference: <i>(only available on Sedex System)</i> | ZC: 403560513 | Sedex Site Reference: <i>(only available on Sedex System)</i> | ZS: 404165204 |
| Business name (Company name): | Maheen Dizayn Etiket (BD.) Ltd. | | |
| Site name: | Maheen Dizayn Etiket (BD.) Ltd. | | |
| Site address: <i>(Please include full address)</i> | Khurdukhosh Para, Mijmiji, Siddirgonj, Narayangonj | Country: | Bangladesh |
| Site contact and job title: | Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Site phone: | +880-1787575059 | Site e-mail: | hrmanager@maheenlabel.com |
| 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: | 08 December 2019 | | |

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| Audit Company Name & Logo: ITS Labtest Bangladesh Ltd.  | Report Owner (payee): Nexgen Packaging, LLC |
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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 6.1 (March 2019) 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

Auditor Team (s) (please list all including all interviewers): Anis Zaman- DM-RA 21700677, Shahina Kader- Auditor -ASCA 21704234, Tanzil Islam – Auditor -ASCA 21704234, Samsul Arafin- Auditor– APSCA in progress

Lead auditor: Anis Zaman- DM-RA 21700677

Team auditor: Shahina Kader, Tanzil Islam & Samsul Arafin

Interviewers: Anis Zaman, Shahina Kader, Tanzil Islam & Samsul Arafin

Report writer: Shahina Kader

Report reviewer: Shahida Akhtar (Senior Report Reviewer)

Date of declaration: 08 December 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: 9:30 hours Day 1 Time out: 20.00 hours | Day 2 Time in: N/A Day 2 Time out: N/A | Day 3 Time in: N/A Day 3 Time out: N/A |
| B: Number of Auditor Days Used: | Day one- 3.7 Man-days (four auditors in one 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 checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: N/A <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) | Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| H: Is further information available (if Y please contact audit company for details) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| I: Previous audit date: | 15 October 2018 | | |
| J: Previous audit type: | Full Initial | | |
| K: 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 |

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| <p>D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i></p> | <p>Not applicable</p> |
| <p>E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i></p> | <p>There is no trade union at this facility, and it is not mandatory by law. The facility has elected Participation Committee.</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)

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> |
| Managements system & Code Implementation: O.B.1 & Bangladesh Labour Rules 2015, Rule 79(1): | New | It was noted through management interview that the facility did not has a Welfare Officer for worker to arranging trainings and other responsibilities as per local legislation. | <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 monitoring | It is recommended that the facility should appoint a Welfare Officer as per local legislation. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |

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| Managements system & Code Implementation: O.B.1 and Minimum Wage Gazette (amend) 24th January 2019, apprentice conditions; | New | It was noted through personnel file review, employee & management interview that facility management recruited employee as a Probationer (got BDT 6000.00 to 7000.00) but did not evaluate their skill after three months of their service period. Please note that total probationer employee of the facility is 32. | <input 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: Lack of awareness | It is recommended that facility management should evaluate their skill after three months of service period by local legislation. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Management systems and code implementation O.B.1 and Bangladesh Labour Law 2006 Rule- 109 | New | It was noted through worker interview, documents review and management interview that, the facility management did not keep consent of woman worker during night shift work. Note that the facility has ninety percent female worker. | <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 monitoring | It is recommended that facility management should keep woman worker night working permission as per format prescribed by local legislation. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| ETI base code 2: Freedom of Association and Right to Collective Bargaining are Respected and Bangladesh labour law 2006, 207 (1) | New | It was noted through management interview and documentation review that the facility does not arrange a participation committee meeting once in every two months. The last meeting arranged was on 24 August 2019. | <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 monitoring | It is recommended that the facility management should arrange a Participation committee meeting as per local legislation | 60 Days | Follow-Up | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Working Conditions are Safe and Hygienic 3.1 & | New | It was noted through facility visit, management interview and employee interview that 10 out of 10 employees were working unfavourable workplace (heavy fume) in at Heat Transfer area of 8th floor | <input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs | It is recommended that the facility should ensure proper exhaust | 60 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, | | |

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| Bangladesh Labour law 2006, section 53 (1) | | in main operation building. Note that there were lack of exhaust system in Screen wash room and screen-printing room. Moreover, 100% employees were using improper personal protective equipment (fabric mask in place of N-95) at that area. Also note that area of each floor is approximately 4000 square feet. | <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of monitoring | system and ventilation in all working area as per local legislation. | | | Compliance, Administration | | |
| Working conditions are safe and hygienic ETI base code 3.1 & Bangladesh Labor Act, 2006, section 62(6) | New | It was noted from the facility tour and management interview that approximately 10% of employees were partially blocked by co-workers and working tables located at the 1st (Woven cutting) floor of the main building. | <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 the facility should ensure block free working area as per local legislation | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Working condition are safe and hygienic 3.1 and Bangladesh National Building Code 2006 section D (18) | New | It was noted through facility tour that no public addressable (PA) system has been installed at the weaving section area located in ground floor of shed 1, shed 2 and shed 3. | <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 the facility should install public address system at the mentioned areas. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Working condition are safe and hygienic: 3.1 & Bangladesh | New | It was noted through facility visit and management interview that inward opening door was found in the following area; - 02 out of 02 door at 09th floor, 08th floor of main production building, | <input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers | It is recommended that facility should make the door outward. | 180 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, | | |

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|-------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------|-----------|--------------------------------------------------------------------------------|--|--|
| Labor Law 2006, section 62(3). | | - 01 out of 02 at 4th floor and 5th floor of main production building, - Note that area of each floor is approximately 4000 square feet. | <input checked="" type="checkbox"/> Other – please give details: Lack of awareness. | | | | Compliance, Administration | | |
| Working condition are safe and hygienic: 3.1 & Bangladesh Labor Rules 2015, section 54(5) | New | It was noted through facility visit and management interview that no alternative handrail was found (02 out 02) stair case in the main production building. | <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 Monitoring | It is recommended that facility should install 2nd handrail in their stair case. | 180 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Working condition are safe and hygienic: 3.1 & Bangladesh Labor Rules 2015, section 54(7) | New | It was noted through facility visit and management interview that stair width was found 40 inched instead of 2 meters from roof top to 6th floor. | <input 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: | It is recommended that facility make the stair width as per law. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Working condition are safe and hygienic 3.1 & Bangladesh Labor Rules 2015, section 68(10) | New | It was noted through facility visit and management interview two Mobil container was stored at the maintenance room located at 8th floor of the production building however did not provide any label, MSDS and secondary containment. | <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 Monitoring | It is recommended that facility post label, MSDS and provide secondary containment as per law. | 30 Days | Desktop | Yes - Md. Salah Uddin- Manager – HR, Compliance, Administration | | |
| Living wages are paid 5.1, Bangladesh | New | It was noted through document review and management representatives interview that facility management did not have any provision | <input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs | It is recommended that facility should encash the un | 60 Days | Follow-Up | Yes - | | |

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|----------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------|-----------|-------------------------------------------------------------------|--|--|
| Labor Rule 2015, Rule-107 (2) | | for annual leave benefit as well as encashment of to get un-availed annual leave to the employees as per rules. | <input type="checkbox"/> lack of workers <input type="checkbox"/> Other-please give details: | availed annual leave of the employees as per rule. | | | Md. Salah Uddin-Manager – HR, Compliance, Administration | | |
| Living wages are paid 5.1, Bangladesh Labor Law 2006, Section-27 and Labour Rules 2015 Rules no 112 (4): | New | <p>It was noted through document review and management representatives' interview that the facility management did not provide following service to resign employees</p> <ul style="list-style-type: none"> - Service benefit of eligible resign employee after completion of 5 years was not provided as per law. - Un-availed earn leave encashment amount to the resigned employees who worked more than one year in the facility was not provided as per law. <p>Note that the facility had established 2011 and the facility did not have any resign and lefty list.</p> | <input 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: | It is recommended that facility should provide service benefit to all eligible employee as per law. | 60 Days | Follow-Up | Yes - Md. Salah Uddin-Manager – HR, Compliance, Administration | | |
| Regular Employment Is Provided ETI base code 8.1 and Bangladesh Labour Rules 2015 Rule- 118 | New | It was noted through documents review and management interview that, maintained nominee form were not updated as per format prescribed by local legislation for randomly checked 42 out of 42 employees. | <input 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: Lack of awareness | It is recommended that facility management should maintain nominee form as per format prescribed by local legislation. | 30 Days | Desktop | Yes - Md. Salah Uddin-Manager – HR, Compliance, Administration | | |

| 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> |
| None | None | None | None | None |

| 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 provides free food for lunch/dinner to all employees as per facility policy. | Documents review |

Confirmation

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------|
| <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: | Md. Salah Uddin | Title: Manager- HR, Compliance, Administration Date: 08 December 2019 |
| B: Auditor Signature: | Anis Zaman, Shahina Kader, Tanzil Islam & Samsul Arafin | Title: Lead Auditor & Team Auditors Date: 08 December 2019 |
| C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes. None | | |
| D: I dispute the following numbered non-compliances: None | | |
| E: Signed: (If any entry in box D, please complete a signature on this line) | None | Title Date |
| F: Any other site Comments: None | | |

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)

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)

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

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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