SMETA Corrective Action Plan Report (CAPR)

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

Supplier name:	JO-Y-JO Bangladesh	
Site country:	Bangladesh	
Site name:	Meditex Industries Ltd.	
Parent Company name (of the site):	Meditex Industries Ltd.	
SMETA Audit Type:	☒ 2-Pillar	☐ 4-Pillar
Date of Audit	28 November, 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: Intertek	Report Owner (payee): Meditex Industries Ltd.
Sedex Company Reference: (only available on Sedex System)	S:795264958680
Sedex Site Reference: (only available on Sedex System)	P:604117990523

Audit Conducted By			
Commercial	☒	*Purchaser*	☐
NGO	☐	*Retailer*	☐
Trade Union	☐	*Brand Owner*	☐
Multi-stakeholder	☐	*Combined Audit (select all that apply)*	

Auditor Reference Number: (If applicable)	Not applicable

Audit Details

Audit Details			
A: Report #:	BGD – 4403-05(14)		
B: Time in and time out *(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)*	Day 1 Time in: 10:00 am Day 1 Time out: 18:10 pm	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
C: Number of Auditor Days Used: *(number of auditor x number of days)*	Four Auditors in One day		
D: Audit type:	☐ Full Initial ☒ Periodic ☐ Full Follow-up ☐ Partial Follow-Up ☐ Partial Other – Define ☒ Desktop Verification		
E: Was the audit announced?	☐ Announced ☒ Semi – announced: Window detail: 2 weeks ☐ Unannounced		
F: Was the Sedex SAQ available for review?	☒ Yes ☐ No		
If **No**, why not? (*Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)*	Not Applicable		
G; Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Mamunur Rahman Khan - (Lead Auditor), Shuvankar Paul (Team Auditor), Sultana Majumder (Team Auditor & Interviewer), Md. Mehrab Hossain (Team Auditor & Interviewer).		
I: Report written by:	Shuvankar Paul		
J: Report reviewed by:	Mamunur Rahman Khan		
K: Report issue date:	29 June, 2016 (Desktop CAP)		
L: Supplier name:	JO-Y-JO Bangladesh		
M: Site name:	Meditex Industries Ltd.		

N: Site country:	Bangladesh
O: Site contact and job title:	Mr. Robiul Islam -Bayazid (General Manager)
P: Site address: *(Please include full address)*	Plot 912, Konabari, Kashimpur Road, Gazipur, Bangladesh.
Site phone:	+88 02 8414526,+88 02 8414528,0171306336
Site fax:	+88 02 8416692
Site e-mail:	bayazid@meditexbd.com
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	**Factory License No:** 9027/Dhaka, bearing 'J' category, issued by Chief Inspector of Factories, Govt. of the People's Republic of Bangladesh which is valid till 31 December 2015. **Trade License No**: 16/2015-2016. **Fire License No**: DD/Dhaka/7539/1994 issued by Bangladesh Fire Service & Civil Defence Authority which is valid till 30 June 2016.
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	All kinds of sweaters manufacture
S: Audit results reviewed with site management?	Yes
T: Who signed and agreed CAPR *(Name and job title)*	Mr. Robiul Islam -Bayazid (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):	**Auditors:** • Shuvankar Paul • Mamunur Rahman Khan • Md. Mehrab Hossain • Sultana Majumdar **Facility Representative** • Mr. Robiul Islam Bayazid (General Manager) • Md. Ataur Rahman - Manager (ADmin) • Mr.S.M. Salahuddin – Asst. General Manager (Admin., HR & Compliance) • Ms. Champa – Participation Committee member • Mr. Toyab Ali - Vice Chairman, Participation Committee
W: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee (Participation Committee) ☐ Other (specify) ☐ None

X: Are any workers covered by Collective Bargaining Agreement (CBA)	☐ Yes ☒ No The facility has no CBA			
Y: Previous audit date:	11 December 2014			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	☐	☐	☐
	Periodic	☒	☐	☐
	Full Follow-Up Audit	☐	☐	☐
	Partial Follow-Up	☐	☐	☐
	Partial Other*	☐	☐	☐
	*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 *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**New or Carried Over** *Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding*	**Details of Non-Compliance** *Details of Non-Compliance*	**Root cause** *(completed by the site)*	**Preventative and Corrective Actions** *Details of actions to be taken to clear non-compliance, and the system change to prevent re- occurrence (agreed between site and auditor)*	***Timescale*** *(Immediate, 30, 60, 90,180,365)*	**Verification Method** *Desktop / Follow-Up [D/F]*	**Agreed by Management and Name of Responsible Person:** *Note if management agree to the non-compliance, and document name of responsible person*	**Verification Evidence and Comments** *Details on corrective action evidence*	**Status** *Open/Closed or comment*
3.1.Working Conditions are Safe and Hygienic 3.1 and Bangladesh Labour Law 2006, Section: 62 (5)	New	It was noted through facility visit and management interview (Asst. General Manager (Admin., HR & Compliance)) that, PA (Public Address) system was not found in knitting section and dining area located at 5th floor of production building. Note that on that floor approximately 50 employees (knitting section) working and during emergency situation particular employees will not hear any announcement. Desktop Review on 28 December, 2015 This issue has been verified on the basis of evidences uploaded onto the Sedex platform.	Lack of monitoring	It is recommended that the facility management shall install PA System at the mentioned area.	30 Days	Desktop	Y Mr. Robiul Islam Bayazid (General Manager)	Uploading photo evidence to SEDEX showing that facility installed PA system in the mentioned areas.	Open Closed on Desktop Review.

3.2 Working condition are safe and hygienic ETI Base Code, point: 3.1 and The Factories Rules, 1979, Section-52 (11)	New	It was noted through facility visit that mismatch was found between evacuation plan and present setup. For example- In 4th floor of building there is knitting distribution section but evacuation plan showed it as Sample Section. Desktop Review on 28 December, 2015 This issue has been verified on the basis of evidences uploaded onto the Sedex platform.	Lack of monitoring	It is recommended that the facility management should post appropriate evacuation plan and mark passageway for safe movement of the employees working in that section.	60 days	Desk top	Y Mr. Robiul Islam Bayazid (General Manager)	Uploading photo evidence to SEDEX showing that facility posted updated evacuation plan	Open Closed on Desktop Review.
3.3 Working condition are safe and hygienic ETI Base Code, point: 3.1 and The Factory Rules,1979, Section: 3(1)	New	It was noted through facility tour and machine layout approval plan review, mismatch found between present arrangement of the facility and machine layout approval plan. For example, southern area of 1st floor machine layout shows winding section instead of existing auto-Jacquard section. At present, facility removed winding section from facility. Desktop Review on 28 December, 2015 This issue has been verified on the basis of evidences uploaded onto the Sedex platform.	Lack of awareness & monitoring	It is recommended that the facility management should take updated machine lay out approval plan from concern authority as per existing position. Or floor shall be organized as per approval plan.	90 days	Desktop	Y Mr. Robiul Islam Bayazid (General Manager)	Uploading photo evidence to Sedex showing machine layout approval plan as per existing position.	Open Closed on Desktop Review.

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

Good examples		
Good example Number *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**Details of good example noted**	**Any relevant Evidence and Comments**
5.1 Living wages are paid ETI Base Code 5.1	Facility provides attendance bonus to all employees.	Documents review, management and employees interview
5.2 Living wages are paid ETI Base Code 5.1	Annual cultural program and picnic.	Documents review, management and employees interview

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. Robiul Islam Bayazid*	Title: General Manager Date: 28 November 2015
B: Auditor Signature:	*Mamunur Rahman Khan – Lead Auditor, Shuvankar Paul- Auditor and Md. Mehrab Hossain- Auditor* *Sultana Majumdar - Auditor*	Title: Lead Auditor and Auditor Date: 28 November, 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 any 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.

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=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

Click here for B members:
http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

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 conformance. 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 on Sedex please go to **www.sedexglobal.com**
or email **helpdesk@sedexglobal.com**