




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1020089	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS402204713
Business name (Company name):	KDS Apparels Ltd.		
Site name:	KDS Apparels Ltd.		
Site address: <i>(Please include full address)</i>	251 Nasirabad I/A, Chittagong.	Country:	Bangladesh
Site contact and job title:	Uzzal Das – Assistant General Manager (HR & Compliance)		
Site phone:	+8801777777995	Site e-mail:	uzzal.das@kdsgroup.net
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:	14 th October, 2017		

Audit Company Name & Logo: 	Report Owner (payee): KDS Apparels Ltd.
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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

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

Lead auditor: Shampa Saha

Team auditor: Soharab Hossain, Md. Rashed Ullah, Shibshankar Dey.

Interviewers: Shampa Saha, Soharab Hossain, Md. Rashed Ullah, Shibshankar Dey

Report writer: Md. Rashed Ullah

Report reviewer: Nawar Tazrian

Date of declaration: 23 /10/2017

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			
A: Time in and time out	Day 1 Time in: 09.05 hrs Day 1 Time out: 17.15 hrs	Day 2 Time in: NA Day 2 Time out: NA	Day 3 Time in: NA Day 3 Time out: NA
B: Number of Auditor Days Used:	04 Auditors in one day (Four Man Days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input 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: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the SedexSAQ 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)	Mr. Uzzal Das - Assistant General Manager (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:	N/A		
J: Previous audit type:	N/A		
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 union at this factory. It is also not mandatory by Local 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 SMETABPG 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>
Management system and code implementation on O.B.1 and Bangladesh Labour rules 2015, rule 23 (1), rule 24(1), Rule 39(4), rule 108(1)	New	It was noted through document review and management interview that: Facility did not maintain worker register, leave register, maternity register as per prescribed format and facility did not provide leave book to workers.	<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 should maintain worker register, leave register, maternity register as per prescribed format of law and provide leave book to the employees.	60 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	Open
Working	New	It was noted through provided	<input type="checkbox"/> Training	It is recommended	30	Desktop	Yes	Upload relevant	Open

condition are safe and hygienic: 3.1 & Schedule 4 of Bangladesh Labor Rules 2015, rule 85		document review and facility management representative interview that facility did not prepare a guideline or instruction book with details of own responsibilities for safety committee as per schedule 4 of Bangladesh Labor Rules 2015.	<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	that facility should prepare a guideline or instruction book with details of own responsibilities for safety committee as per schedule 4 of Bangladesh Labor Rules 2015.	days		- Uzzal Das Assistant General Manager – HR & Compliance	evidence of maintaining and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	
Working condition are safe and hygienic: 3.1 & Bangladesh Labour rules 2015, rules 87(1)	New	It was noted through facility visit that permanent setup of canteen was not found at the facility. Auditor did not find canteen shop at the time of facility visit. As per facility management representative comments facility arrange canteen facilities with food serving 2 times in a day.	<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 should have functional canteen in a permanent setup with sufficient food in store.	30 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	Open
Working condition are safe and hygienic: 3.1 & Bangladesh Labour law 2006, section 59(D)	New	It was noted through facility visit hand wash material was not found at the randomly checked toilet area of 5 th floor.	<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 should provide soap or liquid soap for hand wash purpose.	30 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	Open
Working condition are	New	It was noted through training file record review and management	<input type="checkbox"/> Training <input type="checkbox"/> Systems	It is recommended that facility should	30 days	Desktop	Yes -	Upload relevant evidence and	Open

safe and hygienic: 3.1 and Bangladesh Labor rules 2015, rule 55(10) & rule 55(14)		interview that facility did not maintain firefighting training record as per format prescribed in rules.	<input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Ongoing process	maintain mentioned documents as per format prescribed in rules.			Uzzal Das Assistant General Manager – HR & Compliance	providing the mentioned documents in prescribed format on SEDEX database showing issue has been Corrected.	
Working condition are safe and hygienic: 3.1 and Bangladesh Labor rules 2015, Rule 77 (1)	New	It was noted through facility visit and facility management representative interview, facility did not appoint medical assistant/compounder at the treatment room 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 that facility should appoint medical assistant/compounder at the treatment room of the facility.	60 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing facility has recruited medical assistant/compo under.	Open
Working condition are safe and hygienic: 3.1 and Bangladesh Labour law 2006, rule 72 (c)	New	It was noted through facility visit and management interview that aisles marking were found missing at the sub-aisles of knitting section located at 2nd floor of building 02. Note facility has aisles marking at main aisles.	<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 should ensure aisles marking at the mentioned area.	60 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing facility has marked the required aisles.	Open
Working condition are	New	It was noted through facility visit that workers were not using PPE (face	<input type="checkbox"/> Training <input type="checkbox"/> Systems	It is recommended that facility should	60 days	Desktop	Yes -	Relevant evidence and	Open

safe and hygienic: 3.1 and Bangladesh Labour rules 2015, rule 67 (2)		mask, ear muff) at knitting section located at 1 st floor of building 01 and 2 nd floor of building 02.	<input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of awareness	ensure PPE use by workers in the mentioned areas.			Uzzal Das Assistant General Manager – HR & Compliance	providing the mentioned documents in prescribed format on SEDEX database showing facility has developed a system by which it is ensured that workers are using PPE at workplace.	
Working condition are safe and hygienic: 3.1 and Bangladesh Labour rules 2015, rule 45 (1)	New	It was noted through facility visit that no exhaust fan was found in knitting section located at 2 nd floor of building 02.	<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 should install exhaust fan in the mentioned area.	60 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing facility has installed exhaust fan in the required area.	Open
Working condition are safe and hygienic: 3.1 and Facility fire license:	New	It was noted through facility tour that fire alarm and smoke detection system was missing in extended area (dyeing section) of ground floor of building-01.	<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	It is recommended that the facility management should install fire alarm and smoke detection system in the mentioned area.	60 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload Relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing facility	Open

			awareness					has installed fire alarm and smoke detection system in the facility.	
Regular Employment Is Provided 8.1 & Bangladesh Labor Rules 2015 , rule 19(7)	New	It was noted through facility management representative interview that facility did not maintain register which includes data of providing appointment letter, service book, identity card to employees.	<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 should maintain register which includes data of providing appointment letter, service book, and identity card to employees.	30 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	Open
Regular Employment Is Provided 8.1 & Bangladesh Labor Rules 2015 , Section 19(5)	New	It was noted through Identity Card (ID) review and management interview that facility issued Identity Card to the employees but the information of Identity Card was not as per rule and not written in local language. Few required information / criteria were missing & not mentioned in the employee ID card like permanent address, blood group & emergency contact number.	<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 should maintain ID card of employees as per prescribed format.	30 days	Desktop	Yes - Uzzal Das Assistant General Manager – HR & Compliance	Upload relevant evidence and providing the mentioned documents in prescribed format on SEDEX database showing issue has been corrected.	Open

Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation</i>	New or Carried Over <i>Is this a new observation identified at</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>
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from the Audit Report, for example, Discrimination No.7	the follow-up or one carried over (C) that is still outstanding			
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
Living wages are paid 5.1	Facility provides attendance bonus to all employees as per facility policy.	Documents review, management and employees interview
Living wages are paid 5.1	Facility arrange picnic yearly for the employees	Documents review, management and employees interview
Living wages are paid 5.1	Facility provides subsidized transport facilities for the employees.	Documents review, management and employees interview
Regular	Facility celebrates employee's birthday.	Documents review, management

employment is provided 8.1		and employees interview
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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:	Uzzal Das	Title: Assistant General Manager (HR & Compliance) Date: 14/10/2017
B: Auditor Signature:	Shampa Saha, Soharab Hossain, Md. Rashed Ullah, Shibshankar Dey	Title: Lead Auditor & Team Auditors Date: 14/10/2017
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:		
E: Signed: (If any entry in box D, please complete a signature on this line)		
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)

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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d