

# SMETA Corrective Action Plan Report (CAPR)

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

Supplier name:	<b>Network Clothing Ltd.</b>	
Site country:	Bangladesh	
Site name:	<b>Network Clothing Ltd.</b>	
Parent Company name (of the site):		
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	05 <sup>th</sup> January, 2016	

## 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.





<b>Audit Company Name: DNV GL</b>	<b>Report Owner (payee): Network Clothing Ltd.</b>
<i>Sedex Company Reference: (only available on Sedex System)</i>	ZC3524468
<i>Sedex Site Reference: (only available on Sedex System)</i>	ZS3532167

Audit Conducted By			
<i>Commercial</i>	<input checked="" type="checkbox"/>	<i>Purchaser</i>	<input type="checkbox"/>
<i>NGO</i>	<input type="checkbox"/>	<i>Retailer</i>	<input type="checkbox"/>
<i>Trade Union</i>	<input type="checkbox"/>	<i>Brand Owner</i>	<input type="checkbox"/>
<i>Multi-stakeholder</i>	<input type="checkbox"/>	<i>Combined Audit (select all that apply)</i>	

<i>Auditor Reference Number: (If applicable)</i>	Mohammad Ashraful Alam: Lead Auditor SA 8000, ISO 14001, ISO 9001 & OHSAS 18001)
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**SMETA Declaration**

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance.

Any exceptions to this must be recorded here: Nil

Auditor Name(s) (please list all including all interviewers): Mohammad Ashraful Alam (Lead Auditor), Syed Mahbulul Islam Ratul(Auditor) and Ms. Masuda(Auditor)

Date: **05<sup>th</sup> January, 2016**

## Audit Details

Audit Details			
A: Report #:	DNVBA/2016/01/05		
B: Time in and time out <i>(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration )</i>	<b>Day 1:</b> Time in: 09:15 AM Time out: 05:30 PM	<b>Day 2:</b> Time in: Time out:	<b>Day 3 Time in:</b> <b>Day 3 Time out:</b>
C: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	03 auditor in one day		
D: 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		
E: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If <b>No</b> , why not? <i>(Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)</i>			
G; 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		
H: Auditor name(s) and role(s):	Mohammad Ashraful Alam (Lead Auditor)		
I: Report written by:	Mohammad Ashraful Alam (Lead Auditor)		
J: Report reviewed by:	Syed Mahbubul Islam Ratul		
K: Report issue date:	05.01.2016		
L: Supplier name:	<b>Network Clothing Ltd.</b>		
M: Site name:	<b>Network Clothing Ltd..</b>		
N: Site country:	Bangladesh		
O: Site contact and job title:	Md. Muzibul Haque- Manager		
P: Site address: <i>(Please include full address)</i>	228/3 Shahid Rawshon Sarak, Chandana, Gazipur.		

Site phone:	+8801715221260			
Site fax:	None			
Site e-mail:	www.muzibul.ncl@gmail.com			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	<p><b>1. Certificate of incorporation:</b> C-63283(774)/06, dated 14<sup>th</sup> August, 2006</p> <p><b>2. Trade License No:</b> 125/2015-2016, issued by Gazipur City Corporation authority, which is valid till 30<sup>th</sup> June, 2016.</p> <p><b>3. Fire License No:</b> DD/Dhaka/25032/2015 issued by Bangladesh Fire Service &amp; Civil Defense Authority, Valid till June 30, 2016.</p> <p><b>4. Factory License No:</b> 14354/Dhaka, bearing 'I' category, which is valid till December 31, 2016-2017.</p> <p><b>5. Export Registration No.:</b> RA -0107094, which is valid till 30<sup>th</sup> June, 2016</p> <p><b>6. Import registration No.:</b> BA 0175348, Which is valid till June 2015-2016.</p> <p><b>7. Export Registered Certificate:</b> B00083280 issued by government authority which is valid till June 2015-2016.</p> <p><b>8. EPB No.:</b> BD05093, which is expired on 30<sup>th</sup> June, 2015.</p> <p><b>9. Membership Certificate:</b> BGMEA: 4665 issued by BGMEA, validity was expired on December, 2015</p> <p><b>10. Bond License No.:</b> 1138/CUS-SBW/2009,</p> <p><b>11.Boiler Registration No.:</b> Ba:Bo: 4813, which are valid till 15<sup>th</sup> November, 2016.</p> <p><b>12. Group Insurance Certificate No.:</b> SLICL-GT-0000002838-0515, valid till 5<sup>th</sup> May, 2016</p>			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	All type of Knit Garments.			
S: Audit results reviewed with site management?	Md. Muzibul Haque- Manager(Admin, HR & Compliance)			
T: Who signed and agreed CAPR (Name and job title)	Md. Muzibul Haque- Manager(Admin, HR & Compliance)			
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):	Md. Muzibul Haque- Manager(Admin, HR & Compliance)			
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	NA			
Z: Previous audit type:	SMETA 2-Pillar	SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*If other, please define:				

### 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>
<b>0: Management systems and code implementation - 1</b>	<b>New</b>	<b>05<sup>th</sup> January, 2016 Date of initial Audit:</b> ∴ It was noted through document review that BGMEA Membership Certificate has been Expired on 31 <sup>st</sup> December 2015, EPB 30 <sup>th</sup> June 2015, however is was noted that factory has applied to the concerned authority to renew their certificate.	Facility has not managed all the required legal documents from the concerned authority in time.	Factory should collect the certificate from concerned authority.	180 Days	Desktop	Md. Muzibul Haque-Manager	Noted through Document review & management Interview.	Open

<b>0: Management systems and code implementation - 2</b>	<b>New</b>	<b>05<sup>th</sup> January, 2016 Date of initial Audit:</b> It was noted through document review and management interview that the factory has not trained workers & mid-level management on ETI base codes.	Lack of awareness	Company should organized awareness program.	60 Days	Follow Up	Md. Muzibul Haque-Manager	Noted through Document review & management Interview.	Open
<b>2: Freedom of Association - 1</b>		<b>05<sup>th</sup> January, 2016 Date of initial Audit</b> It was noted through documents review and Management interview that Participation Committee was not Formed in the prescribed manner from amongst the workers. Thus not complying with the	Lack of awareness.	Factory should form participation committee as per labour law and aware their workers regarding participation Committee.	180 Days	Follow-Up	Md. Muzibul Haque-Manager	Noted through Document review & management Interview.	Open



		Bangladesh Labour Law 2006, Section – 205 (6), amendment on July 22, 2013. However factory has formed a committee through selection process by the management. Also workers are not aware of the committee members' activities.							
<b>2: Freedom of Association - 2</b>	<b>New</b>	<b>5<sup>th</sup> January, 2016 Date of initial Audit::</b> Based on workers interview it has been identified that the workers are not aware about the Worker's Participation Committee (WPC) which is not comply with Bangladesh Labor Law 2006, Section 205 (6).	Lack of awareness	Company should organized awareness program.	120 days	Follow-up	Md. Muzibul Haque-Manager	Noted through worker's interview	Open
<b>3: Working Conditions are Safe and Hygienic-1</b>	<b>New</b>	<b>05<sup>th</sup> January, 2016 Date of initial Audit:</b> It was noted	Lack of awareness	Factory should provide proper containments	30 Days	Desktop	Md. Muzibul Haque-Manager	Noted through plant tour & management	Open

		through plant visit that Secondary containment and MSDS are missing for Thinner, Machine oil and Sewing oil containers to arrest spill.		for all the chemical containers.				Interview.	
<b>3: Working Conditions are Safe and Hygienic-2</b>	<b>New</b>	<b>05<sup>th</sup> January, 2016 Date of initial Audit:</b> It was noted from first aiders interview that the selection criteria of the first aid personnel was not correctly established as stipulated in the Bangladesh Labor Law-2006, Section 35 amendment on July 22, 2013. E.G the certificate of proficiency of the undergoing through a mandatory 6 months primary first aid course was not produced during the audit. This needs	None availability	Factory should train first aiders according to law.	365 Days	Desktop	Md. Muzibul Haque-Manager	Noted through plant tour & management Interview.	Open

		immediate management's attentions to complying with the Bangladesh Labour Law.							
<b>3: Working Conditions are Safe and Hygienic-3</b>	New	<b>05<sup>th</sup> January, 2016 Date of initial Audit:</b> The Factory has not properly recorded and analyzed the occupational accidents / injury, as required by Bangladesh Factory Rules, 1979, section 84 & Bangladesh Labour law 2006, Section 80 (3).	Lack of management monitoring.	It is recommended that the factory should keep record and analyse them properly.	60 Days	DeskTop	<b>Md. Muzibul Haque-Manager</b>	No	Open

**Corrective Action Plan – Observations**

<b>Observation Number</b> <i>The reference</i>	<b>New or Carried Over</b> <i>Is this a new</i>	<b>Details of Observation</b> <i>Details of Observation</i>	<b>Root cause</b> <i>(completed by the site)</i>	<b>Any improvement actions discussed</b> <i>(Not uploaded on to SEDEX)</i>
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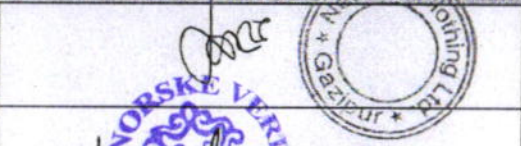

<i>number of the observation from the Audit Report, for example, Discrimination No.7</i>	<i>observation identified at the follow-up or one carried over (C) that is still outstanding</i>			
Non		No		

**Good examples**

<b>Good example Number</b> <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	<b>Details of good example noted</b>	<b>Any relevant Evidence and Comments</b>



## Confirmation

<b>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)</b> <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>		
<b>A: Site Representative Signature:</b>		Md. Muzibul Haque- Manager (Admin, HR & Compliance) Date: 05 <sup>th</sup> January, 2016
<b>B: Auditor Signature:</b>		Mohammad Ashrafal Alam Date: 05 <sup>th</sup> January, 2016
<b>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</b>		
<b>D: I dispute the following numbered non-compliances:</b>		
<b>E: Signed:</b> <i>(If any entry in box D, please complete a signature on this line)</i>	Not Applicable	Title Date
<b>F: Any other site Comments:</b>		



SMETA Corrective Action Plan Report (CAPR) (Version 5.0 Dec 2014)

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## 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=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

Click here for B members:

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgLY_2brg_3d_3d)



For more information on Sedex please go to [www.sedexglobal.com](http://www.sedexglobal.com)  
or email [helpdesk@sedexglobal.com](mailto:helpdesk@sedexglobal.com)

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