SMETA Corrective Action Plan Report (CAPR)

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

Supplier name:	Allene Overseas Pvt Ltd.	
Site country:	India	
Site name:	Allene Overseas Pvt Ltd.	
Parent Company name (of the site):	Allene Overseas Pvt Ltd.	
SMETA Audit Type:	☐ 2-Pillar	☒ 4-Pillar
Date of Audit	02 March 2017 / Desktop Review on 23rd April 2017	

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):** Allene Overseas Pvt Ltd.
Sedex Company Reference: *(only available on Sedex System)*	**ZC**:3594033
Sedex Site Reference: *(only available on Sedex System)*	**ZS :**3596595

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

Report written in black = Full Initial Audit / 02nd March 2017

Report written in Blue = Desktop Review / 23rd April 2017

Audit Details

Audit Details			
A: Report #:	IDA-16076-01		
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: 09:40 am Time Out: 05:30 pm	NA	NA
C: Number of Auditor Days Used: *(number of auditor x number of days)*	02 Auditors in a 01 day – 1.5 Man day		
D: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow-up ☐ Partial Follow-Up ☐ Partial Other – Define / Desktop Review		
E: Was the audit announced?	☐ Announced ☒ Semi – announced: Window detail: 28/02/2017 to 27/3/2017 ☐ 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.)*	NA		
G; Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause : NA		
H: Auditor name(s) and role(s):	Parul Jaglan / Soni Khatri – Lead Auditor / Auditor Desktop Reviewed by Muniswaran N		
I: Report written by:	Soni Khatri		
J: Report reviewed by:	To be filled		
K: Report issue date:	02 March 17		
L: Supplier name:	Allene Overseas Pvt Ltd.		
M: Site name:	Allene Overseas Pvt Ltd.		
N: Site country:	India		
O: Site contact and job title:	Mr. Vipul Goel - Director		
P: Site address: *(Please include full address)*	Plot No- 27, Hsiidc, Epip, Kundli Industrial Area, Sonipat, Haryana, India		

Site phone:	0130-6543888 / 6544788, 9811366501
Site fax:	NA
Site e-mail:	vipul@allene.in
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Factory License No – SPT- ONLINE-11 for employing 148 employees, Valid till – 31/12/2017 TIN No- 06503016671
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacturing of Stainless Steel Utensils.
S: Audit results reviewed with site management?	Yes
T: Who signed and agreed CAPR *(Name and job title)*	Mr. Vipul Goel - Director
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):	Mr. Vipul Goel – Director Mr. Vivek Goel – Factory Manager Ms. Parul Jaglan – Senior Auditor Ms. Soni Khatri - Auditor
W: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None
X: Are any workers covered by Collective Bargaining Agreement (CBA)	☐ Yes ☒ No
Y: Previous audit date:	Not Applicable

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:

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*
Management systems and code implementation	New -1	**Description of non-compliance**: Based from facility tour it was noted that, facility has not amended that approved layout plan as per the current floor plan. As per current layout facility has storage area on second floor however facility has installed plating section in place of storage area. **Local Law or ETI requirement:** In accordance with The Punjab Factory Rules 1952 as		**Recommendation:** It is recommended to the facility to amend the building layout plan as per the current layout implemented in the facility.	90 days	Desktop	Yes Mr. Vipul Goel - Director	Upload photos of corrected evidence	Closed on 23rd April 2017 by Desktop Review Closed on Sedex on 23rd April 2017

		applicable to Haryana Rule 3A: [Framed U/S 6 of the Act] Approval of Plans, 2) No addition/alteration or extension in the existing factory building shall be made unless plans in respect of such additions, alterations or extensions are approved by the Chief Inspector							
Safety and Hygienic Conditions -3	New -1	**Description of non-compliance**: Based from facility tour it was noted that drinking water points situated within 6 meters of toilets on ground, first and second floor. **Local Law or ETI requirement:** In accordance with the Factories Act 1948 Section 18 (2) chapter (iii) drinking water points shall not be situated within 6 meter of any washing place, urinals, latrine, spittoons, open drain, carrying sullage or effluent or any other source of contamination.		**Recommendation:** It is recommended to the factory to locate drinking water points located on 1st floor minimum 6 meter away from toilets.	60 days	Desktop	Yes Mr. Vipul Goel - Director	Upload photos of corrected evidence	Closed on 23rd April 2017 by Desktop Review Closed on Sedex on 23rd April 2017

Safety and Hygienic Conditions -3	New -2	**Description of non-compliance**: Based from facility tour, chemical containers were found stored without secondary containment / MSDS and labelling in plating section on second floor and in open terrace area. **Local Law or ETI requirement:** In accordance with Punjab Factory Rules 1952 as applicable to Haryana, Rule 67-K[Framed U/S 41-B & 112 of the Act] Disclosure of information to workers (1)		**Recommendation:** It is recommended to the facility to provide secondary containment/labelling to all the chemical containers / to post MSDS in language understood by the majority.	30 days	Desktop	Yes Mr. Vipul Goel - Director	Upload photos of evidences.	Closed on 23rd April 2017 by Desktop Review Closed on Sedex on 23rd April 2017
Safety and Hygienic Conditions -3	New -3	**Description of non-compliance**: Based from facility tour, 04 employees in polishing section on second floor were found working without using ear plugs. Further facility has provided ear plugs to all the employees. **Local Law or ETI requirement:** In accordance with Punjab		**Recommendation:** It is recommended to the facility to ensure that all employees use ear plugs during all working hours.	30 days	Desktop	Yes Mr. Vipul Goel - Director	Upload photos of evidences.	Closed on 23rd April 2017 by Desktop Review Closed on Sedex on 23rd April 2017

		Factory Rules 1952 as applicable to Haryana, Rule 67-K[Framed U/S 41-B & 112 of the Act] Disclosure of information to workers (1) The occupier of a factory carrying on a hazardous process shall supply to all workers the following information in relation to handling of hazardous materials o substances in the manufacture, transportation, storage and other processes (c) location and availability of all Material Safety Data Sheets as provided in rule 67-J; (d) physical and health hazards arising from the exposure to or handling of substances							
Safety and Hygienic Conditions -3	New -4	**Description of non-compliance**: Based from facility tour, it was noted that emergency evacuation map posted on second floor was not found as per the actual floor plan. **Local Law or ETI requirement:** In accordance with the		**Recommendation:** It is recommended to the facility to post emergency evacuation map as per the current floor plan.	30 days	Desktop	Yes Mr. Vipul Goel - Director	Upload photos of evidences.	Closed on 23rd April 2017 by Desktop Review Closed on Sedex on 23rd April 2017

		Factories Act 1948, Section 38 (1) In every factory, all practicable measures shall be taken to prevent outbreak of fire and its spread, both internally and externally, and to provide and maintain (a) safe means of escape for all persons in the event of a fire, and (b) the necessary equipment and facilities for extinguishing fire. (2) Effective measures shall be taken to ensure that in every factory all the workers are familiar with the means of escape in case of fire and have been adequately trained in the routine to be followed in such cases.							

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)*
		None Observed		

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**
	None Observed	

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. Vipul Goel	Title: - Director Date : 02/03/2017
B: Auditor Signature:	Parul Jaglan / Soni Khatri	Title : Lead Auditor / Auditor Date : 02/03/2017
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:* NIL		
E: Signed: *(If any entry in box D, please complete a signature on this line)*	NA	NA
F: Any other site Comments: NIL		

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

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**