




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1022572	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1052363	
Business name (Company name):	Fashion Art International			
Site name:	Fashion Art International			
Site address: <i>(Please include full address)</i>	Plot # LA-3/1, Block-22 F.B Industrial Area, Karachi	Country:	Pakistan	
Site contact and job title:	Muhammad Salman Usman – Compliance Manager			
Site phone:	+ 92-21-36366663	Site e-mail:	salman@fashioninternational.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	15 Aug, 2020			

Audit Company Name & Logo:  SGS Pakistan Private Limited	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Fashion Art International
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Audit Conducted By					
Affiliate Audit Company	<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):

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

Lead auditor: Raziq Muhammad	APSCA number: 21703333
Team auditor: Maqbool Imran Ahmed	APSCA number: 21703558
Interviewers:	
Maqbool Imran Ahmed	APSCA number: 21703558

Report writer: Maqbool Imran Ahmed

Report reviewer:

Date of declaration: 15 Aug, 2020

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: 0930 hrs Day 1 Time out: 0345 hrs	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	02 Auditor X 01 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 If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <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)	Muhammad Salman Usman – Compliance Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	27- 28 Aug, 2019		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input 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 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 type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>			
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No Union at the company		

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>
NC 1 OB Management systems and code implementation - 1	New	Description of non-compliance: During worker interview, 04 out of 06 workers interviewed were not aware of the ETI code and were not aware that it was posted in the factory in local language. ETI code requirement 0.B.4 Suppliers are expected to communicate this Code to all employees.	<input checked="" 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 all workers are made aware of the content of the ETI code and that it is additionally displayed in the worker's canteen, for increased visibility.	60 days	Desktop	YES Muhammad Salman Usman – Compliance Manager		
NC 2 Working Conditions are Safe and Hygienic 01	New	Descriptions of finding: Addressable fire alarm panel installed at the main gate of facility for warning of fire alarm. During the visit same was not functioning due to some maintenance work	<input checked="" 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:	Fire alarm systems and fire panel shall be made operational and or an alternative system shall be available when the alarm system is	30 Days	Desktop	YES Muhammad Salman Usman – Compliance Manager		

		<p>Local Law Requirement: Rule 54 of The Sind Factories Rules, 1975: In every factory a mechanically/electrically operated fire alarm shall be fixed and where this is not possible a fire bell shall be provided to give alarm in case of fire</p>		undergoing maintenance.					
NC 3 3 Safety and Hygienic Conditions - 02	New	<p>Description of non-compliance: One first aid found with insufficient supplies at Chemical Store.</p> <p>Local Law Sindh Factories Rule 1975 section 94(1); in every factory there shall be maintained in good working condition First aid appliances as specified in Appendix I. The First aid Appliances shall be placed under the charges of responsible person, who knows to use them and shall be kept in readily accessible place within the factory. The work First Aid shall be clearly painted on the box.</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:	First Aid Supplies will ensure by the Company at all time.	30	Desktop	<p>YES Muhammad Salman Usman – Compliance Manager</p>		
NC 4 3 Safety and Hygienic Conditions - 03	New	<p>Description of non-compliance: During factory visit it was noted that two of</p>	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	Company will ensure that workers would be use PPEs as identified in Risk Assessment	30	Desktop	<p>YES Muhammad Salman Usman – Compliance Manager</p>		

		<p>workers at wet processing area were not using any safety shoes while handling wet fabric roll, Similarly, few workers were not used provided ear plugs at weaving section.</p> <p>Local Law Rule 12 (c) of the Hazardous Substances Rules, 2003: Protective clothing and equipment comprising helmet or cloth cap, safety spectacles or goggles, respirators or masks, rubber or plastic gloves and work boots, shall be available for all workers who may be exposed to hazardous substance, and no workers shall be permitted on job unless and until he is wearing such protective clothing and equipment.</p>	<input type="checkbox"/> Other – please give details:					
<p>NC 5 3 Safety and Hygienic Conditions - 04</p>	New	<p>Description of non-compliance: During facility visit. Finger safety guard was not provided in 04 out of 14 stitching checked machines.</p> <p>Local Law Requirement: Section 30. (1) of Sindh Factories Act</p>	<input checked="" 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:		30	Desktop	<p>YES Muhammad Salman Usman – Compliance Manager</p>	

		<p>2015: In every factory the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the parts of machinery required to be fenced are in motion or in use, namely -Fencing of machinery. 12 (a) every moving part of a prime mover, and every fly wheel connected to a prime mover</p>						
<p>NC 6 3 Safety and Hygienic Conditions - 05</p>	New	<p>Details of Non-Compliance During factory tour, at wet processing area one electric panel was not proper encase.</p> <p>Local Law Requirements: Rule 62(1) of The Sind Factories Rules, 1975: 62. (1) In every factory, all electrical circuits or part of such circuits or any object electrically connected with them whether commonly or occasionally in an electrified condition, which by reason of their position could cause</p>	<p><input checked="" 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:</p>	<p>All electrical wiring and DBs shall be covered with appropriate encasement</p>	30	Desktop	<p>YES Muhammad Salman Usman – Compliance Manager</p>	

		injury to any person, shall be protected adequately, either by non-metallic fencing or insulation or by both, in such manner as to remove danger of injury.							
NC 7 3 Safety and Hygienic Conditions - 06	New	<p>Details of Non-Compliance Currently two of the cargo lifts installed at the factory, however only inspection record of one cargo lift found maintained.</p> <p>Local Law Requirements: 8. (1) In every factory - (a) every hoist and lift shall be – (i) of good mechanical construction, sound material and adequate strength; (ii) properly maintained, and shall be thoroughly examined by a competent person authorized by the Chief Inspector in this behalf at least once in every period of six months, and a register shall be kept containing the prescribed particulars of every such examination of which a copy</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:	Inspection of cargo lift will be ensuring by the company as per define frequency.	30	Desktop	YES Muhammad Salman Usman – Compliance Manager		

		shall be forwarded to the Chief Inspector;							
NC 8 3 Safety and Hygienic Conditions - 07	New	<p>Details of Non-Compliance During Factory tour it was found that Smoke detectors at greigh fabric store were not in working condition. Same was reported in July 2020 inspection report but not till address.</p> <p>ETI Requirements: 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out</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:	Company will ensure that smoke detectors will be in working condition at all time.	30	Desktop	<p>YES Muhammad Salman Usman – Compliance Manager</p>		

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>
O. UNGP	New	Factory has not defined and explicitly communicated the United Nation Guiding principles on Business and Human Right Implementing the United Nations "Protect, Respect and Remedy" Framework in the factory and through its supply chain.		Factory should make policy and communicate this to all workers, factory management ensured to provide training to workers.
O. Management Systems	New	No risk assessment has been conducted to evaluate the effectiveness of the company policy and procedure		Factory shall conduct risk assessment to evaluate the effectiveness of factory policy and procedures

Good examples

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

Confirmation

<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:	Muhammad Salman Usman	Title Compliance Manager Date 15 Aug, 2020
B: Auditor Signature:	Raziq Muhammad Maqbool Imran Ahmed	Title Auditors Date 15 Aug, 2020
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 <u>any</u> 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.



For more information visit: [Sedexglobal.com](https://www.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)

<https://www.surveymonkey.co.uk/r/BRTVCKP>