



# SMETA Corrective Action Plan Report (CAPR)

Version 6.1



## 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.

## 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 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](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).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC421994271	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS421994273	
Business name (Company name):	Dream Collections			
Site name:	Dream Collections			
Site address:	E-9, INDUSTRIAL AREA, PANIPAT-132103 PANIPAT 132103 IN	Country:	IN	
Site contact and job title:	Mr. Pratap Pradhan / HR Manager			
Site phone:	9812029977	Site e-mail:	rachin@dreamcollections.net	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-02-01			

Audit Company Name:
Intertek India

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 Parameters			
Time in and time out	Day 1		
	In	09:45	
	Out	17:15	
Audit type:	PERIODIC		
Was the audit announced?	SEMI_ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Mr. Pratap Pradhan / HR Manager		
Is further information available	No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	No	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	Union Representative not applicable as no union in facility.		
<i>Reason for absence during the audit</i>	Worker representative was not present during the audit due to busy in production process. Union Representative not applicable as no union in facility.		
<i>Reason for absence at the closing meeting</i>	No union exist, not legally required.		

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.1 3.2	\$1 \$2 \$3 \$4 \$5 \$6	6	0	0	NC - ZAF600333877 NC - ZAF600333878 NC - ZAF600333879 NC - ZAF600347059 NC - ZAF600347060 NC - ZAF600347061
<u>0B - Management systems and code implementation</u>	0.B.1	\$7	1	0	0	NC - ZAF600347062

## Local Law Issues


Issue	Description
\$1	The Punjab Factory Rules, 1952 (As applicable in the State of Haryana), Rule 66 (9) (e) The exits shall be clearly visible and suitably illuminated with suitable arrangement, wherever artificial lighting is to be adopted for this purpose to maintain the required illumination in case of failure of the normal source of electric supply.
\$2	The Punjab Factory Rules, 1952 (As applicable in the State of Haryana), Rule 23. Casing of new machinery (Section 26).—In all machinery driven by power and installed in any factory after 1st April, 1949, every set screw, bolt or key on any revolving shaft, spindle wheel or pinion shall be so sunk, encased or otherwise effectively guarded as to prevent danger; all spur worm and other toothed or friction gearing which does not require frequent adjustment while in motion shall be completely encased, unless it is so situated as to be safe as it would be if it were completely encased.
\$3	According to Section 38 (1 & 2) of the Factories Act, 1948, Every factory shall provide and maintain 1) a) safe means of escape for all person in the event of 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
\$4	In accordance with Factories Act, 1948. Section 19: Latrines and urinals - (1) In every factory - • (a) sufficient latrine and urinal accommodation of prescribed types shall be provided conveniently situated and accessible to workers at all times while they are at the factory; • (b) separate enclosed accommodation shall be provided for male and female workers; • (c) such accommodation shall be adequately lighted and ventilated and no latrine or urinal shall, unless specially exempted in writing by the Chief Inspector, communicate with any workroom except through an intervening open space or ventilated passage; • (d) all such accommodation shall be maintained in a clean and sanitary condition at all times; • (e) sweepers shall be employed whose primary duty it would be to keep clean all latrines, urinals and washing places.
\$5	In accordance with the Haryana Factories Rules, 1952. Section 55: Further safety precautions - (1) Without prejudice to the provision or sub-section (1) of Section 1 of the Act in regard to the fencing of machines the further precautions specified in Schedules [I to VII] annexed hereto shall apply to the machines noted in each Schedule.
\$6	According to Sec 45 (3) of The Factories Act 1948, each first aid box or cupboard shall be kept in the charge of a separate responsible person who holds a certificate in first aid treatment recognized by the State Govt. who shall always be readily available during the working hours of the factory.




S7	According to Section 10 (2) of The Punjab Factories Rules 1952 as applicable in the province of Haryana, Every application for the renewal of the license shall be made in triplicate in Form No 2 together with the receipt of payment of fees for a period of 1 year or 5 years as the case may be, and shall be submitted not less than 30 days before the date on which the license expires
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## Corrective Action Plan - Non Compliances

Non-Compliance		Evidence																																			
<a href="#">[Back to findings summary]</a>																																					
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	exits/emergency exits covering all floors/section.	
Additional comments	It was reviewed during periodic audit that facility has installed emergency light at exit of packing section. It was reviewed during periodic audit that facility has installed emergency light at exit of packing section. As facility has taken corrective action, So this non conformance is closed.	


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Actions	It is recommended that facility shall ensure machine safety guards such as pulley and belt guards are installed on all sewing machines.	
Additional comments	It was reviewed during periodic audit that pulley guard has been provided at sewing machines at sewing section. It was reviewed during periodic audit that pulley guard has been provided at sewing machines at sewing section. As facility has taken corrective action, so this Non compliance is closed.	


Non-Compliance		Evidence																																	
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ETI code	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 of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.																																		
Explanation to the non compliance	Based on facility tour, it was noted that aisles route was not marked/maintained as per below - It was noted that a) aisle routes were not marked at all at each yarn store located at ground floor and first floor.																																		
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit																																		
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Actions	It is recommended that facility shall ensure aisles routes with directional arrows pointing to nearest exits are adequately marked and maintained in all section of the facility including year store section at ground and first floor.	
Additional comments	It was noted during periodic audit that aisle marking (exit way) marked at all sections including yarn store. As facility has taken corrective action, So this noncompliance is closed. It was noted during periodic audit that aisle marking (exit way) marked at all sections including yarn store. As facility has taken corrective action, So this noncompliance is closed.	



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## 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.

Auditor Team			
Lead Auditor:	Mr. Sahil Kukreja	APSCA Number:	21703822
Additional Auditors:	Srishti Sharma		32200770
Date of declaration:	2024-02-01		

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.

Site Representation	
Full Name:	Mr. Pratap Pradhan
Title:	HR Manager
Date of declaration:	2024-02-01
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
During audit day it was noted that pit-loom section was not in operation.	



# 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.



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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:

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