




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: ZC4330714	Sedex Site Reference: (only available on Sedex System)	ZS: ZS4453042
Business name (Company name):	Khadim India Ltd		
Site name:	Khadim India Ltd		
Site address: (Please include full address)	Plot No. P-31 & S-26, Kasba Industrial Estate, Phase-III, P.O- Kasba, Kolkata – 700107, West Bengal	Country:	India
Site contact and job title:	Mr. Rajeev Kumar Mishra/ General Manager - Production		
Site phone:	+91 33- 4014 0501; Fax - 91-33-4014 0500	Site e-mail:	rajeevkumar.mishra@khadims.com
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:	29/05/2018		

Audit Company Name & Logo: 	Report Owner (payee): Khadim India 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: Kushan Banerjee

Team auditor: Not applicable

Interviewers: Kushan Banerjee

Report writer: Kushan Banerjee

Report reviewer:

Date of declaration: 29/05/2018

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: 10.30 AM Day 1 Time out: 05.45 PM	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of Auditor Days Used:	One (01) auditor in one (01) Days – 01 Manday		
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 – Define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: <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)	Mr. Rajeev Kumar Mishra/ General Manager - Production		
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:	27/05/2017		
J: Previous audit type:	Annual		
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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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)	Workers representative was busy in the production activity.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No union exist in the facility. Not Required legally		

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 <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>
OB Management systems and code implementation-01	New	Description of non-compliance: Based on the document review and management interaction it was noted that 01 out of 04 contractors -contractor (M/S Genius Consultants Ltd) license was expired on dated 31/12/2016. However, contractor was applied for the renewal on dated 07/02/2017 to labour department. Local Law or ETI requirement:	<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:	Recommendation: It is recommended to the facility to obtain valid license at earliest.	60 Days	Desktop	Yes Mr. Rajeev Kumar Mishra/ General Manager – Production	Upload the scan copy contractor license	Open

		W B Contract Labour (Regulation & Abolition) Rules, 1972. Rule-29- Renewal of license – every contractor shall apply to the licensing officer for renewal of the license before its validity expires							
OB Management systems and code implementation-02	New	<p>Description of non-compliance:</p> <p>During document review and management interaction it was noted that facility approved layout plan was not available for review.</p> <p>Local Law or ETI requirement:</p> <p>West Bengal Factories Act, 1958, Chapter 1, Rule 3, Approval of site and plan.- (1) No building shall be constructed, extended or taken into use as a factory or a part of a factory on any site unless previous permission in writing has been obtained from the State Government or the Chief Inspector for the site and for the construction, extension or use of the</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:	<p>Recommendation:</p> <p>It is recommended to the facility to provide approved (from authority) layout plan for review.</p>	60 Days	Desktop	Yes	Upload the scan copy of approved layout plan	Open
		Mr. Rajeev Kumar Mishra/ General Manager – Production							

		building on such site. Application for such permission shall be made as nearly as possible in Form No.-1 which shall be accompanied by the following documents:- (a) A flow chart of the manufacturing process supplemented by a brief description of the process in its various stages.							
1 <u>Freely chosen Employment</u>		None observed on the day of audit.							
2: <u>Freedom of association</u>		None observed on the day of audit.							
3 <u>Safety and Hygienic Conditions-01</u>	New	Description of non-compliance: During document review and management interaction it was noted that 01 out of 02 exit path was partially blocked with water can in the first floor (stitching section) and with production material in second floor (cutting section) of the facility. Local Law or ETI	<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:	Recommendation: It is recommended to the facility to clear all the exit path in first floor and in second floor.	30 Days	Desktop	Yes Mr. Rajeev Kumar Mishra/ General Manager – Production	Upload the digital of the clear exit path.	Open

		requirement: In accordance with the West Bengal Factories Act, 1958 as applicable to West Bengal, Rule 61. Fire. (10) Fire exits: (a) In this rule, - ((b) In every room of a factory, exits sufficient to permit safe of the occupants in case of fire or other emergency shall be provided and the same shall be free from any obstruction.							
3 <u>Safety and Hygienic Conditions-02</u>	New	Description of non-compliance: During facility tour it was noted that 01 out of 02 exit door was opening in inward direction (not opening in direction of travel- outward) in the stitching section (first floor). Local Law or ETI requirement: In accordance with the According to West Bengal Factories Rules (1958), Rule 61(10) (t) Exit doorways shall open outwards, that is way from the room but	<input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	Recommendation: It is recommended to the facility to arrange to open the door in direction of travel.	30 Days	Desktop	Yes Mr. Rajeev Kumar Mishra/ General Manager – Production	Upload the digital of the outward opening exit door in first floor.	Open

		shall not obstruct the travel along any exit. No door, when opened, shall reduce the required width of stairway or landing to less than 90 centimeters. Sliding doors with up_down movement shall not be installed for this purpose.							
3 <u>Safety and Hygienic Conditions-03</u>	New	<p>Description of non-compliance:</p> <p>During document review and management interaction it was noted that Diesel Generator (275 KVA) annual inspection from electrical department was expired on dated 26/08/2016.</p> <p>Local Law or ETI requirement:</p> <p>Indian Electricity Rules 1956, Rule 47A, Where any consumer or occupier installs a generating plant, he shall give a thirty days' notice of his intention to commission the plant to the supplier as well as the Inspector: Provided that</p>	<input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>Recommendation:</p> <p>It is recommended to the facility to obtain valid annual inspection of diesel generator from electrical department.</p>	30 Days	Desktop	Yes	<p>Mr. Rajeev Kumar Mishra/ General Manager – Production</p> <p>Upload the scan copy of renewed annual inspection of diesel generator from electrical department</p>	Open

		no consumer or occupier shall commission his generating plant of a capacity exceeding 10KW without the approval in writing of the Inspector. Explanatory Note: For installation of generators exceeding 10KW, written approval from the Inspector is required.							
4 <u>Child Labour</u>		None observed on the day of audit.							
5. <u>Living Wages and Benefits</u>		None observed on the day of audit.							
6 <u>Working Hours</u>		None observed on the day of audit.							
7 <u>Discrimination</u>		None observed on the day of audit.							
8 <u>Regular Employment</u>		None observed on the day of audit.							
8A <u>Sub-Contracting and Homeworking</u>		None observed on the day of audit.							
9 <u>Harsh or Inhumane</u>		None observed on the day of audit.							

Treatment									
10 A Entitlement to Work			None observed on the day of audit.						
10 B 2 Environment 2- Pillar-01	New	<p>Description of non-compliance:</p> <p>During document review and management interaction it was noted that facility had not obtained hazardous waste storage permission from the concerned authority (West Bengal Pollution Control Board)</p> <p>It was noted that facility had applied for the permission on dated 06/02/2017.</p> <p>Local Law or ETI requirement:</p> <p>Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, ING HAZARDOUS WASTES 5. Grant of authorization for handling hazardous wastes. (3) Every person</p>	<input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	<p>Recommendation:</p> <p>It is recommended to the facility to obtain hazardous storage permission from the pollution West Bengal Pollution Control Board.</p>	60 Days	Desktop	Yes	<p>Mr. Rajeev Kumar Mishra/ General Manager – Production</p> <p>Upload the scan copy obtain hazardous storage permission from the pollution West Bengal Pollution Control Board.</p>	Open

		engaged in generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste or occupier of the facility shall make an application in Form 1 to the State Pollution Control Board for authorization within a period of sixty days from the date of commencement of these rule.							
10B4 Environment 4- Pillar		Not applicable as it was 2 pillar audit.							
10C Ethics Business		Not applicable as it was 2 pillar audit.							

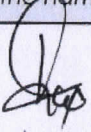
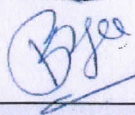
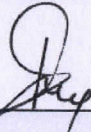
Corrective Action Plan – Observations				
Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details 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>
0A <u>Universal Rights covering UNGP</u>	New	<p>Finding: Based on interaction with management and review of records, it was noted that facility does not have a policy, endorsed at the highest level, covering human rights impacts and issues. Hence it is not communicated to all appropriate parties, including its own suppliers.</p> <p>Local Law or ETI requirement: O.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p>	We were not aware of this requirement.	It is recommended that facility shall have documented policy, endorsed at the highest level, covering human rights impacts and issues. Further, policy shall be communicated to all appropriate parties, including its own suppliers.
0A <u>Universal Rights covering UNGP</u>	New	<p>Finding: Based on interaction with management and review of records, it was noted that facility does not identify their stakeholders and salient issues.</p> <p>Local Law or ETI requirement: O.A.3 Businesses shall identify their stakeholders and salient issues.</p>	We were not aware of this requirement.	It is recommended that facility shall identify their stakeholders and salient issues.
0A <u>Universal Rights covering UNGP</u>	New	<p>Finding: Based on interaction with management and review of records, it was noted that facility does identify direct, indirect, and potential</p>	We were not aware of this requirement.	It is recommended that facility shall identify direct, indirect, and potential impacts on stakeholder's human

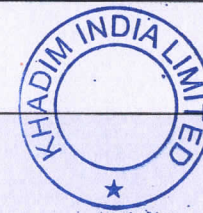
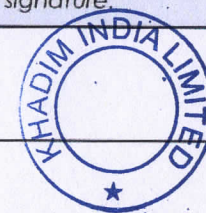
		<p>impacts on stakeholder's human rights. Hence no remedial action in place.</p> <p>Local Law or ETI requirement:</p> <p>.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p>		<p>rights. Remedial action shall be taken and documented in case of impact is notices.</p>
0B <u>Management systems and code implementation</u>	New	<p>Finding:</p> <p>Based on interaction with management, and review of records, it was noted that facility does not have a written policy and procedures specific to land rights.</p> <p>Local Law or ETI requirement:</p> <p>0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.</p>	We were not aware of this requirement.	<p>It is recommended that facility shall develop a written policy and procedures specific to land rights.</p>

Good examples

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

Confirmation

<p>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.</p>		
A: Site Representative Signature:	Mr. Rajeev Kumar Mishra  RAJEEV KUMAR MISHRA GENERAL MANAGER - PRODUCTION	Title - General Manager – Production Date – 29/05/2018
B: Auditor Signature:	Kushan Banerjee 	Title – Auditor Date – 29/05/2018
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: NI		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)	Mr. Rajeev Kumar Mishra  RAJEEV KUMAR MISHRA GENERAL MANAGER - PRODUCTION	Title - General Manager – Production Date – 29/05/2018
F: Any other site Comments: NI		



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

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d