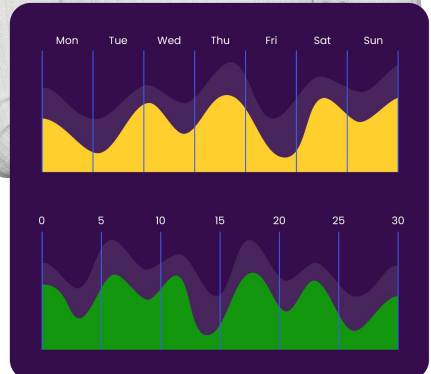


SMETA Corrective Action Plan Report (CAPR)

Version 7



Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Findings](#)

[Summary of findings](#)

[Non-compliances](#)

[Good examples](#)

[Management systems](#)

[Guidance](#)

Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

Sedex company reference	ZC408984248	Auditor company name	GSCS International Ltd
Date of audit	2024-12-18	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS409046302	Site name	DRAGONI FASHIONS LTD
Business name	Dragoni Fashions Limited	Site address	4214 Kulgaon, Baluchara., Chattogram, BD
Site phone	01678061084	Site email	rezanoor@crowngroup.com.bd

Audit parameters

Time in and out	Day 1		Day 2	
	In	09:30	In	08:55
	Out	17:40	Out	16:15
Audit type	Periodic			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Md. Reza Noor / General Manager (HR, Admin & Compliance)			
Any conflicting information SAQ/Pre-Audit Info	No			
Is further information available?	No			

Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	No	Yes
B: Present at the audit?	Yes	No	Yes
C: Present at the closing meeting?	Yes	No	Yes
Reason for absence at the opening meeting	There was union present in the facility. Facility has formed a workers trade union as per local law. Also senior management and worker representative was present in the opening meeting.		
Reason for absence during the audit	There was union present in the facility. Facility has formed a workers trade union as per local law. Also senior management and worker representative was present during audit.		
Reason for absence at the closing meeting	There was union present in the facility. Facility has formed a workers trade union as per local law. Also senior management and worker representative was present in the closing meeting.		

SMETA declaration

Auditor team

SMETA declaration	<p>I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.</p> <ol style="list-style-type: none"> Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question. <p>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.</p>		
Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	None		
Lead auditor	Md. Annamul Hasan	APSCA Number	21705272
Additional auditor	Md. Tanvir Hasan Khan	APSCA Number	32200442
Date of declaration	2024-12-19		

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Md. Reza Noor
Title	General Manager (HR, Admin & Compliance)
Date of declaration	2024-12-19

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.L Implement effective processes to manage f...	§1	NC ZAF-
	3.A Ensure a safe working environment. Put in...	§2	NC ZAF-
	3.M Ensure all machinery is installed, mainta...	§3	NC ZAF-
5. Legal wages are paid	5.H Comply with all other applicable laws tha...		GE ZAF-
	5.H Comply with all other applicable laws tha...		GE ZAF-
	5.H Comply with all other applicable laws tha...		GE ZAF-

Local law issues

§1	<p>"In accordance with The Bangladesh Labor Act 2006, Chapter- 6, Section – 62 (6): A free passage-way giving access to each way of exit in case of fire shall be provided for the use of the workers in every room of the establishment.</p> <p>In accordance with Bangladesh Labor Law 2006, Section 72 (c): 2 passages and stairways shall be clean, wide and clear of all obstructions 3 [;] and 4 [(d) an employer may, for overall safety of the factory and workers, bring the passages of movements, stairs, gates, godowns and common utility area of the place of work under close circuit camera."</p>
§2	<p>In accordance with Bangladesh Labour Rules, 2015, Rule 67 (2 & 3): 2) In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. 3) No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be preserved in accordance with Information Form-23.</p>
§3	<p>In accordance with The Bangladesh Labour Act, 2006, Section 63 (1- d, 3): 1) In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are in mention or in use, namely- (d) unless they are in such position or of such construction as to be as safe to every person employed in the establishment as they would be if they were securely fenced- (iii) every dangerous part of any machinery:</p>

Findings: non-compliances

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Time given to resolve

30 days

Issue title

207 - Isolated or partial occurrence of blocked fire exits causing an elevated but not significant risk

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law
Base code

Description

It was noted through the floor visit that 2 out of 8 aisles were partially obstructed by production materials and cartoons in the sewing section located at 1st and 2nd floor of Building-1.

Corrective and preventative actions

It is recommended that the factory should ensure the pathway are free from any obstacle and ensure for the safe evacuation in case of emergency.

Local law reference

"In accordance with The Bangladesh Labor Act 2006, Chapter- 6, Section – 62 (6): A free passage-way giving access to each way of exit in case of fire shall be provided for the use of the workers in every room of the establishment.

In accordance with Bangladesh Labor Law 2006, Section 72 (c): 2 passages and stairways shall be clean, wide and clear of all obstructions 3 [;] and 4 [(d) an employer may, for overall safety of the factory and workers, bring the passages of movements, stairs, gates, godowns and common utility area of the place of work under close circuit camera."

Evidence

[Aisle patially obstructed-02.jpg](#)

[Aisle patially obstructed-01.jpg](#)

* PDF generated at 08:23 (UTC) on 19 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Issue title

320 - Ergonomic support not given to employees adequate to their job including mats for standing, back rest for seats, other materials to support

Description

It was noted through the plat tour that The management did not provide anti-fatigue mats to around 30 percent of the finishing section's standing workers.

Corrective and preventative actions

It is recommended that, the facility management should provide anti-fatigue mats to all standing workers and ensure their proper use.

Local law reference

In accordance with Bangladesh Labour Rules, 2015, Rule 67 (2 & 3): 2) In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. 3) No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be preserved in accordance with Information Form-23.

Evidence

[Worker working without anti-fatigue mats.jpg](#)

* PDF generated at 08:23 (UTC) on 19 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

Time given to resolve

30 days

Issue title

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

Verification method

Desktop audit

Description

"It was noted during facility visit that-

a) approximately 15% needle guard found displaced with (plain) sewing machine in the sewing section located at 1st and 2nd floor in the production building.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility management should look after machine safety guards with all mentioned machines of the production area and ensure the proper usage of machine safety guards.

Local law reference

In accordance with The Bangladesh Labour Act, 2006, Section 63 (1- d, 3): 1) In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are in mention or in use, namely- (d) unless they are in such position or of such construction as to be as safe to every person employed in the establishment as they would be if they were securely fenced- (iii) every dangerous part of any machinery:

Evidence

[No needle guards-02.jpg](#)

[No needle guards-01.jpg](#)

* PDF generated at 08:23 (UTC) on 19 Dec 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Findings: good examples

ZAF-

Good example

Code area

5 Legal wages are paid

Workplace requirement

5.H Comply with all other applicable laws that impose conditions on Code Area 5.

Description

The facility provides attendance bonus BDT 150 to 500 to all workers as per company policy.

ZAF-

Good example

Code area

5 Legal wages are paid

Workplace requirement

5.H Comply with all other applicable laws that impose conditions on Code Area 5.

Description

The facility arrange annual picnic regularly for workers recreation and other gifts.

ZAF-

Good example

Code area

5 Legal wages are paid





































Workplace requirement


5.H Comply with all other applicable laws that impose conditions on Code Area 5.


Description

The organization is providing free transport facility to workers who are actually coming from long distance.


Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly				
9. No harsh or inhumane treatment is allowed				
10.A. Environment 2-Pillar				
10.C. Business ethics				

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

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/ non-conformances.

Good practice examples should be pointed out at the closing meeting as well as discussing non-compliances/ non-conformances and corrective actions, Collaborative Action Required findings and the Management Systems Assessment.

Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex Members' E-learning Platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex Members' E-learning Platform](#) 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 the Sedex Platform or by Follow-up Audit.
5. Some NCs that cannot be closed off by "Desk-Top" review may need to be closed off via a "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 NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous 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).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.

8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on Management Systems please refer to the Management Systems Workbooks.

Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the Base Code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions. Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

For Suppliers

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from “open” to “in progress”. Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

For Buyers

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

For Auditors

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



For more information visit <https://www.sedex.com>