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 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).

Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC1006394	Sedex Site Reference: *(only available on Sedex System)*	ZS1067812
Business name (Company name):	CTP Srl		
Site name:	CTP s.r.l.		
Site address:	Via Tribolina, 30 Grumello del Monte 24064 IT	Country:	IT
Site contact and job title:			
Site phone:	035832555	Site e-mail:	giulia@ctp-srl.it
SMETA Audit Pillars:	☑ Labour Standards	☑ Health and Safety (plus Environment 2-Pillar)	☑ Environment 4-pillar ☑ Business Ethics
Date of Audit:	2024-09-05		

Audit Company Name:
Intertek Italy

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Parameters					
Time in and time out	Day 1		Day 2		
	In	09:00	In	09:00	
	Out	17:00	Out	13:00	
Audit type:	PERIODIC				
Was the audit announced?	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					
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	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No Union Representative at this site		
Reason for absence during the audit	No Union Representative at this site		
Reason for absence at the closing meeting	No Union Representative at this site		

Summary of Findings

Issue *(please click on the issue title to go direct to the appropriate audit results by clause)*	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP	0.A.6		0	1	0	Obs - ZAF600479552
0B - Management Systems and code implementation	0.B.5		0	1	0	Obs - ZAF600479553
5 - Living wages are paid			0	0	2	GE - 9c4c0185-6005-428b-8275-dd870db45ba0 GE - 55ca7350-1a76-4b05-8d0c-b84fdda0e9bf
3 - Working conditions are safe and hygienic	3.1 3.2	§1 §2	2	0	0	NC - ef2fa1a9-f8c1-4eae-81b9-ac77ccfe2c33 NC - fee5bfe4-7ee6-49c9-bc48-cbe37ecc2cdd

Local Law Issues

Issue	Description
§1	DM 09/2021 requires that doors along evacuation routes can be opened by single push movement
§2	DM 09/2021 requires that all employees participate in an emergency drill at least once a year.

Corrective Action Plan - Non Compliances

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ef2fa1a9-f8c1-4eae-81b9-ac77ccfe2c33
Clause	3 - Working conditions are safe and hygienic
Issue Title	202 - Fire exits are not adequate to facilitate timely evacuation
Subcategory	Fire Safety - Fire exits
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	DM 09/2021 requires that doors along evacuation routes can be opened by single push movement
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	During facility tour it was noted that in "MOCA" department (where normally work 2 people) the door to exit is a rolling door with a complex procedure to open in case of emergency and black out.
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☐ 60 days ☐ 90 days ☑ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The Management should find a system to make the exit door in "MOCA" department easy to open in case of an emergency.

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	fee5bfe4-7ee6-49c9-bc48-cbe37ecc2cdd
Clause	3 - Working conditions are safe and hygienic
Issue Title	219 - Fire drills do not include the evacuation of all occupants of the building
Subcategory	Fire Safety - Fire alarms & Evacuation
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	DM 09/2021 requires that all employees participate in an emergency drill at least once a year.
ETI code	3.2 - Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
Explanation to the non compliance	During document review and interviews it was noted that the site conducted the last emergency drill on 23/07/2024 but involving only the first shift (approximately 50% of the employees).
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☐ 60 days ☑ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The site should organise enough emergency drills in order to involve all departments and shifts every year.

Corrective Action Plan - Observations

Observation	Evidence

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Observation	
Status	CLOSED
Reference	ZAF600479552
Clause	0A - Universal rights covering UNGP
Issue Title	11 - Indication of poor relationship / tension between management and workers
Subcategory	Site's Management systems & Monitoring
New or carried over?	☐ New ☑ Carried Over
Raised by audit	ZAA417023516
Resolved by audit	ZAA600066945
Root cause	☐ Training ☐ System ☐ Costs ☐ Lack of workers ☑ Other
Root cause - Other	N/A
ETI code	0.A.6 - Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.
Explanation to the observation	Based on facility tour and employees' interview, it was noted that there is no present in place transparent and simple system for confidentially reporting human rights impacts, but only verbal exchange.
Actions	The site has adopted a suggestion box
Additional comments	all comunications to the emplyees are sent through email and then attached to the notice board at the facility entrance, so that they are always available. In the images attached are shown the quality and safety organigrams, the company policy, the higienic and cleaning policy, the cleaning products safety sheets, the covid safety measures and the ethical code. The corrective action is adequate

Observation	Evidence

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Observation	
Status	CLOSED
Reference	ZAF600479553
Clause	0B - Management Systems and code implementation
Issue Title	37 - The ethical Code (i.e. ETI Base Code for SMETA audits) is not communicated to the site's own suppliers
Subcategory	Site's Systems to Manage Supplier Compliance
New or carried over?	☐ New ☑ Carried Over
Raised by audit	ZAA417023516
Resolved by audit	ZAA600066945
Root cause	☐ Training ☐ System ☐ Costs ☐ Lack of workers ☑ Other
Root cause - Other	N/A
ETI code	0.B.5 - Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.
Explanation to the observation	Based on management interview and documents review, it was noted that there was no communication to suppliers of Code of Ethics and labour standard statement.
Actions	The ETI Code has been sent to all suppliers
Additional comments	The code of ethics has been sent to the primary packaging suppliers and the read-confirmations has been archived. The corrective action is adequate

Corrective Action Plan - Good Examples

Good Example	Evidence

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Good Example	
Status	OPEN
Reference	9c4c0185-6005-428b-8275-dd870db45ba0
Clause	5 - Living wages are paid
Issue Title	429 - Company provides a range of additional benefits, including: free medical care on-site, holiday and other bonuses, free library, food subsidy, free transport
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	The Company offers its female employees a free annual breast examination as part of a For Yoy Breast Cancer prevention project
Evidence	Document review and interviews

Good Example	Evidence

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Good Example	
Status	OPEN
Reference	55ca7350-1a76-4b05-8d0c-b84fdda0e9bf
Clause	5 - Living wages are paid
Issue Title	431 - Workers are given private medical insurance which exceeds the statutory minimum
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Explanation to the good example	The site provides health insurance granting to the employees medical checks for free or with discount.
Evidence	Document review and interviews

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:	Eugenio Peluso	APSCA Number:	21701574
Additional Auditors:			
Date of declaration:	null 06/09/2024		

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	
Refusal to sign:	☐ Yes ☒ No CARLA PAGANI
Date of declaration:	null 06/09/24
Comments: *Any exceptions to this must be recorded here (e.g. different sample size):* *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).* *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*	
null	