

SMETA Corrective Action Plan Report (CAPR) Modified version

Version 5.0.1, Dec 2014

Supplier name:	Fasa América Latina Participações Societárias S/A	
Site country:	Brazil	
Site name:	Farfri Indústria e Comércio Ltda.	
Parent Company name (of the site):		
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	August 11 and 12, 2015	

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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
 - Management systems and code implementation,
 - 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.

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.





Audit Company Name: SGS SSC	Report Owner (payee): Farfri Indústria e Comércio Ltda.
<i>Sedex Company Reference: (only available on Sedex System)</i>	S000000087053
<i>Sedex Site Reference: (only available on Sedex System)</i>	P000000192392

Audit Conducted By			
<i>Commercial</i>	<input checked="" type="checkbox"/>	<i>Purchaser</i>	<input type="checkbox"/>
<i>NGO</i>	<input type="checkbox"/>	<i>Retailer</i>	<input type="checkbox"/>
<i>Trade Union</i>	<input type="checkbox"/>	<i>Brand Owner</i>	<input type="checkbox"/>
<i>Multi-stakeholder</i>	<input type="checkbox"/>	<i>Combined Audit (select all that apply)</i>	

<i>Auditor Reference Number: (If applicable)</i>	---
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Audit Details

Audit Details	
A: Report #:	# 29673
B: Time in and time out (SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)	August 11, 2015 Time in: 08:00 Time out: 17:00 August 12, 2015 Time in: 08:00 Time out: 12:00 December 11, 2015 Time in: 08:00 Time out: 12:00
C: Number of Auditor Days Used:	1 auditor x 1,5 days = 1,5 MD
D: Audit type:	<input type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input checked="" type="checkbox"/> Follow-up Audit # 1 <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define
E: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G; 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
H: Auditor name(s) and role(s):	Ubiratan Schuch Pinto – Lead Auditor Ubiratan Schuch Pinto – Lead Auditor
I: Report written by:	Ubiratan Schuch Pinto – Lead Auditor
J: Report reviewed by:	Elaine C. Perocco Dias
K: Report issue date:	August 20, 2015
L: Supplier name:	Fasa América Latina Participações Societárias S/A
M: Site name:	Farfri Indústria e Comércio Ltda.
N: Site country:	Brazil
O: Site contact and job title:	Fabricio Domeneck, Quality Assistant
P: Site address:	Estrada RST453 km 81,4 São Luiz de Castro – Boa Vista do Sul – RS
Site phone:	+ 55 54 3435 6400
Site fax:	---
Site e-mail:	fabricio.d@faros.ind.br

Q: Applicable business/other legally required licence: for example, business license no, and liability insurance	Environmental permit FEPAM, LO 04931/2015-DL issued Fire permit PPCI 1471/1, average risk, valid until June 2016 Fuel station permit by ANP Brazilian Oil Agency valid until November2015			
R: Products/Activities at site; example: garment manufacture/electrical/ toy/grower	Flour viscera and bird feathers Oil from chicken birds			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR	Simone Laste Manager			
U: Did the person who signed CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/ union reps/worker reps):	Simone Laste Manager Fabricio Domeneck Quality Assistant Freddy Kaufmann Engineer			
W: What form of worker representation/ union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None - There are no worker representation in plant			
X: Are any workers covered by CBA Collective Bargaining Agreement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Y: Previous audit date:	August 11 and 12, 2015			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:---			

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) 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 Responsible Person Name <i>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>
3.1		Not available assessment unifilar chapel compared to luminance parameters, sound pressure/exhaustion capacity at odds to ETI 3.4 provisions. Inadequate provision safe handling hazardous chemicals/lapses in their application.		Evaluating unifilar chapel, create a routine for management infrastructure to provide the correct storage.	Major 30 days	Desktop	Fabricio Domeneck Quality Assistant	Evidenced conducting evaluation of sound pressure, exhaust flow and illuminance. All assessments conducted in October 2015 on the responsibility of Joshua Bussmann (Occupational Safety Technician, RS nr 1864); Alfredo Wesp Jt (Eng. Safety, CREA-RS 184850) and Cleberton Caesar, CREA-RS Engineer 191719. Expected annual assessment. Satisfactory and closed action.	Closed
3.2		Emergency exit doors allowing easy opening not from inside establishment, e.g. door emergence chemical laboratory/factory at odds NR23.5 2011 Emergency exits can be equipped with locking devices that allow easy opening from inside.		Correct outputs of the exit doors, create design systematically to prevent recurrence	Major 30 days	Follow up	Fabricio Domeneck Quality Assistant	Fixed exit door emergence chemical laboratory opening from inside establishment. Planning to inspect all emergency doors in on time. Satisfactory/closed action.	Closed
3.3		Without footer stairs. Factory stairs/other units of Company do not have footers at odds NR12.70 access means must have protection system falls: e) have baseboard at least 0.20m high / 0.70m indent one intermediate height from the floor, located between baseboard and upper crossbars.		Establish systematic program and its periodic review or as needed	Major 30 days	Follow up	Fabricio Domeneck Quality Assistant	Fixed footer in the factory stairs in accordance with the provisions of Brazilian law NR-12. Evidenced inspection plan to ensure projects of new stairs according to NR-12 (2015). Corrective action satisfactory and closed.	Closed

3.4		Not available Respiratory Protection Program in accordance with Instruction INSS 1April1994 Article 1 employer must adopt a set of measures in order to tailor the use of respiratory protective equipment. EPR when needed to complement measures of collective protection implemented, or as long as they are implemented, in order to ensure full protection to workers against risks in workplace. Organization makes use of various chemicals, as chloroform and methanol, and no search respiratory possible contamination.		Establish systematic program and its periodic review or as needed	Major 60 days	Follow up	Fabricio Domeneck Quality Assistant	Evidenced respiratory protection program according to Brazilian legislation Instruction 1 INSS April 1994. Monitoring of exposure to Chloroform test report 89831/2015 measured value 1.61 ppm (limit of tolerance) 20 ppm; methanol exposure 89826/2015 test report no known exposure 156 ppm tolerance limit. Training in use of respiratory protection. Corrective action satisfactory and closed.	Closed
3.5		Not available. Hearing Conservation Program PCA in violation Annex I Schedule II (1.1 Hearing Conservation Program Establish guidelines/ minimum standards for evaluation/ monitoring of workers' hearing performing audio logical tests of reference and sequential).		Establish systematic program and its periodic review or as needed	Major 60 days	Follow up	Fabricio Domeneck Quality Assistant	Evidenced Hearing Conservation Program developed by Josuel Bussmann RS 1864 Occupational Safety Technician, with an annual evaluation. Satisfactory and closed corrective action.	Closed
3.6		Not available procedure for confined spaces management, at odds to NR33 (Company has the training) in violation NR33 item 33.2.1 it is up to employer "to implement safety and health management at work in confined spaces, for technical preventive measures, administrative , personal, emergency, rescue in order to ensure environments with proper working conditions "		Establish systematic program and its periodic review or as needed	Major 60 days	Follow up	Fabricio Domeneck Quality Assistant	Evidenced Program Confined Spaces Management, according to Brazilian legislation NR-33, developed by Josuel Bussmann, RS 1864 Occupational Safety Technician, with an annual evaluation .Evidenced completion of the required training. Corrective action closed and satisfying.	Closed
3.7		Not available procedure for labour management in height, at odds to NR35 item 2.1. Employer's responsibilities: a) ensure the implementation of protective measures set forth in this Standard; b) ensure conduct of Risk Analysis AR; where applicable, to issue the Work Permit - PT; c) develop operational procedures for the routine activities of working at height.		Establish systematic program and its periodic review or as needed	Major 60 days	Follow up	Fabricio Domeneck Quality Assistant	Evidenced work management program in height, according to Brazilian legislation NR35 and developed by Occupational Safety Technician Josue Bussmann RS 1864, with an annual evaluation. Evidenced risk analysis of sites with height greater than 2.0 m. Evidenced training workers. Corrective action closed and satisfying.	Closed

3.8		Organization has no storage facilities, disposal, containment or spill of hazardous chemicals for use in Chemical Analysis Laboratory. ETI 3.4 Inadequate provisions for safe handling of hazardous chemicals/lapses in their application		Evaluating reactivity of chemicals, create a routine for management infrastructure to provide the correct storage	Major 30 days	Desktop	Fabricio Domeneck Quality Assistant	Organization developed area to storage, containment and to avoid spill of hazardous chemicals for use in Chemical Analysis Laboratory	Closed
10B4.1		Condition current environmental licensing; noise external assessment. Not available evidence of external noise assessment Brazilian law CONAMA 01/90 (NBR 10151: 2000)		Perform external noise evaluation; create systematic periodic evaluation.	Major 60 days	Follow up	Fabricio Domeneck Quality Assistant	Available report of external noise, made by Engineer Geraldo Ribar, CREA-RS82645.	Closed

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) 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>
1		Organization should take efforts to ensure the implementation of the code of ethics with all its supply chain. Currently, only covers major suppliers and suppliers of raw materials		
2		Description of observation: Use of electrical connection devices. Local law or requirement TSI: NR-10 (2004) Recommended corrective action: It is recommended to review the practice of using electrical connection devices, is reducing its use or test their validity amperage of the electrical equipment used		
3		Description of observation: Overtime. Local law or ETI requirement: CLT - Consolidation of Labor Laws Comments: Organization could adopt routine to evaluate possible trends overtaking the number of overtime provided for by law		



Confirmation

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>		
<i>A: Site Representative Signature:</i>	Simone Laste	Title Manager Date August 12, 2015
<i>B: Auditor Signature:</i>	Ubiratan Schuch Pinto	Title Lead Auditor Date August 12, 2015
<i>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</i>		
<i>D: I dispute the following numbered non-compliances:</i>		
<i>E: Signed:</i> <i>(If any entry in box D, please complete a signature on this line)</i>		Title Date
<i>F: Any other site Comments:</i>		

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.

**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 A & AB members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d

Click here for B members:

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



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