




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 36782290872	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1035707
Business name (Company name):	Sunripe (1976) limited		
Site name:	Vertical Agro (EPZ) Limited		
Site address: <i>(Please include full address)</i>	Off Nakuru – Nairobi Highway, Naivasha, P.O. Box 41852 - 00100, Nairobi, Kenya	Country:	Kenya
Site contact and job title:	Richard Wafula – Technical & Compliance Manager		
Site phone:	+254 738900771	Site e-mail:	compliance@verticalagro.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:	15th March 2018		

Audit Company Name & Logo: SGS Kenya Limited 	Report Owner (payee): Vertical Agro (EPZ) Limited
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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): **Ronald Watsiera**

Lead auditor: **Ronald Watsiera**

Team auditor: **Ronald Watsiera**

Interviewers: **Ronald Watsiera**

Report writer: **Ronald Watsiera**

Report reviewer: **Benjamin Mwamodo**

Date of declaration: **15th March 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: 09:00am Day 1 Time out: 17:00pm	Day 2 Time in: 09:00am Day 2 Time out: 17:00pm	Day 3 Time in: Day 3 Time out:
B: Number of Auditor Days Used:	2 (1 auditor x 2 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input 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 type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 3 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not; The company had not yet paid the subscription for the subsidiary company and was not available for the auditor.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A – The factory had not yet filled.		
G: Who signed and agreed CAPR (Name and job title)	Mr. Richard Wafula – Technical & Compliance Manager		
H: Is further information available (if Y please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
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)	There was no workers committee at this factory.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	There was no union at this factory.		

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>
0.1	New	During the factory tour, it was noted the ETI code was not posted in the factory in local language. 20 out of 26 workers interviewed were not aware of the ETI code.	<input checked="" 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:	It is recommended the management should post the ETI code in local Language	30 days	Desktop	HR Manager – Mr. Chris Kaluka.		
2.1	New	Based on document review, employees and Management interviews, it was confirmed the facility did not have a Union or workers committee in place. What they had was a welfare committee, which we noted the Human Resource Manager was a member. Also noted election was not done	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: <ul style="list-style-type: none"> Lack of knowledge of local law and ETI code requirement in the area of freedom of association. 	The site agreed to inform the workers to come up with workers committee. Which will comprise of permanent workers who are neither supervisor or Management.	60 days	Follow up	HR Manager Mr. Chris Kaluka		

		and all officials were management and seasonal workers, no permanent employees.							
2.4	New	The suggestion box that was present in the company was only easily accessible to ladies' employees as it was located where they did changing. No procedure was availed to indicate how often it is opened and the issue are handled and feed-back given. Also, noted confidential email for grievance was not known throughout the workforce.	<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>The management and the workers committee (which is to be formed) should communicate the existence of grievances mechanism once more and how they can be used most effectively e.g. email use.</p> <p>Management to put in place procedures on how the opening of the suggestion box will be done and also keep them informed of the manager's response.</p>	60 days	Follow up	HR Manager Mr. Chris		

3.1	New	<p>During the factory tour, it was noted employees working in maintenance (fuel pumping station) and workers who had been contracted to do welding were not having relevant Protective Shoes. The employees who were working in the frozen areas (Eskimo cloth and Protective shoes were worn out.</p>	<input checked="" 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>The HR Manager and Compliance reiterated that they had already made an order for the protective shoes for maintenance section. As for the worn out PPE they promised to replace them</p>	30 days	Follow up	<p>Technical & Compliance Manager – Mr. Richard Wafula</p>		
3.2	New	<p>During the factory tour, it was noted all the fire hydrants (Hose Reels) had not been inspected since they were installed.</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>It is necessary that the factory ensures all hose reels (Fire hydrants) are inspected as per the legal requirement.</p>	30 days	Desktop	<p>Technical & Compliance Manager – Mr. Richard Wafula</p>		
3.3	New	<p>It was noted one fire hydrant/Hose reel in the multi-purpose store was blocked with metals stored. Also, it was noted the second exit door for administration near the board room when the exit door was opened it blocking the fire hydrant along the way.</p> <p>Also, noted the housekeeping at the</p>	<input checked="" 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>It is necessary that the factory ensure no fire-fighting equipment is blocked or obstructed in any way. They should freely accessible.</p> <p>Housekeeping should be well kept in the</p>	30 days	Desktop	<p>Technical & Compliance Manager – Mr. Richard Wafula</p>		

		<p>multi-purpose store was a challenge.</p> <p>The store also had a very big trench which posed a danger and was not secured.</p>		<p>store and all other areas.</p> <p>It is necessary that the factory must ensure the open trench is covered to avoid injury.</p>					
3.4	New	<p>During factory tour, it was noted the Standard care room lacked any type of fire-fighting equipment and Multi-purpose store also no fire extinguisher to be used for extinguishing fire.</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>It is necessary that the factory ensure relevant fire-fighting equipment are provided in food processing areas</p>	30 days	Desktop	<p>Technical & Compliance Manager – Mr. Richard Wafula</p>		
3.5	New	<p>During factory tour, it was noted the contractor who had been contracted to do welding work was using naked wires to tap electricity from the socket.</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>It is necessary that the factory must ensure the provision and maintenance of plant and systems and procedures of work that are safe and without risks to health.</p>	30 days	Desktop	<p>Mr. Richard Wafula – Technical and Compliance manager and Mr. Chris Kaluka – Human Resource manager.</p>		
3.6	New	<p>During factory tour, it was noted lack of directional signage's especially at the administration block to</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>It is necessary that the factory must ensure the emergency exit route is</p>	30 days	Desktop	<p>Technical & Compliance Manager – Mr. Richard Wafula</p>		

		the Emergency exit doors.		clearly marked by signs on the floor or the walls indicating the direction of the emergency door or even stairs.					
3.7	New	<p>During factory tour, it was noted some doors had no exit signages e.g. the second exit door at the administration area, the 1st upper exit door next to Human resource department and Exit door that was to be sued those along the corridor and chemical store.</p> <p>Also noted the signages for exit doors were small in size not as per legal requirement, therefore they are not conspicuous from a far.</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>It is necessary that the factory must ensure all doors affording means of escape have a signage showing the exit or emergency door. The Signage should be of adequate size as per the legal requirement.</p>	30 days	Technical & Compliance Manager – Mr. Richard Wafula			

8.1	New	It was noted during personnel files review of the workers contract, the terms and contract did not mention how the overtime worked will be paid.	<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:	It is recommended that the management must ensure the workers contracts indicates how overtime will be compensated.	30 days	Desktop	Mr. Chris K – Human Resource manager.		
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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>
0.A.1	New	The management had published Human Rights Policy. However, it was not translated in the local language, Kiswahili. Also, there was no documentary evidence they had communicated to their suppliers.	The facility did not see the importance of the issue.	Where possible the site should make, the policy known to its major suppliers.
0.A.4	New	The facility does not measure their impact on the surrounding community, or have any meetings with those in the locality as there was no documentary evidence.	The facility did not see the importance of the issue.	The facility should ensure they measure their impact on the surrounding community.
0.B.1	New	Before the audit it was noted the SAQ had not been completed. The site explained that they had not renewed their membership fee. They were to start filling the SAQ after the audit.	The site explained that they had not renewed the membership fee	The site should finalize the SAQ within the next 30 days (1 Month)
0.B.3	New	Of the 09 out 26 workers interviewed were not aware of ETI code and during factory tour it was noted the ETI code and the Factory had not communicated the ETI code in the local language, Kiswahili. In addition, they had not established the procedures of controlling their own supplier's conformance to the code. It was noted during the audit a contractor was working with no protective shoes and welding machine they were using had naked wires fixed into the socket.	Lack of knowledge of the code requirement	The technical & Compliance Manager suggested they will ensure they create awareness to its employees and also, they will also avail a Kiswahili version of the ETI Code.

3.1	New	It was noted during factory tour the emergency/exit door not far away from chemical store, had stairs/ramp which one side had no hand rail.	Lack of knowledge of the code and OSHA Act 2007 requirement.	The management mentioned that they will be conducting internal audits at regular intervals.
10.B.2.1	New	It was found out that some information on environment had not been done on SAQ. (The site has not completed the SAQ {including environment information}).	Lack of Knowledge of the ETI code	The site should finalize the SAQ within the next 30 days (1 Month)

Good examples

Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
1.1	<ul style="list-style-type: none"> The facility has an effective simplified leave policy which is communicated and understood by workers, workers only need to request leave from their immediate supervisor to have it approved (or not). This is efficient and ensures workers know to contract and when if they need to take leave, both in advance and if there is an emergency. 	<ul style="list-style-type: none"> Worker Personal files and HR Policy, Management and worker interview
3.2	<ul style="list-style-type: none"> The accident book was being reviewed by Technical and Compliance Manager Mr. Richard Wafula on a monthly basis for health & safety committee. 	<ul style="list-style-type: none"> Management representative interview and document review.

Confirmation

<p>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></p>		
A: Site Representative Signature:	Mr. Richard Wafula	Title: Technical & Compliance Manager Date: 16 th March 2018
B: Auditor Signature:	Mr. Ronald Watsiera	Title: SGS Auditor Date: 16 th March 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: None		
E: Signed: <i>(If any entry in box D, please complete a signature on this line)</i>		Title Date
F: Any other site Comments:		

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.



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:

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

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d