




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Sedex Audit Reference: 2019CNZAA408138344

Audit Details			
Sedex Company Reference: (only available on Sedex System)		Sedex Site Reference: (only available on Sedex System)	
Business name (Company name):			
Site name:			
Site address: (Please include full address)	Country: China Province: Fujian		
Site contact and job title:	/ HR & Admin Manager / HR Supervisor		
Site phone:		Site e-mail:	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	July 3~4, 2019 October 16, 2019		

Audit Company Name & Logo: ELEVATE 	Report Owner (payer): (If paid for by the customer of the site please remove for Sedex upload)
---	--

Audit Conducted By					
Affiliate Audit Company	<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 6.1 (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.

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): Nil Nil.

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Amanda He / Rony Le

Team auditor: Nil / Nil

Interviewers: Amanda He / Rony Le

Report writer: Amanda He / Rony Le

Report reviewer: Iris Chen / Felix Tan

Date of declaration: July 10, 2019 / October 16, 2019

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: 09:00 Day 1 Time out: 16:40 Day 1 Time in: 09:30 Day 1 Time out: 17:40	Day 2 Time in: 09:00 Day 2 Time out: 15:30 Day 2 Time in: NA Day 2 Time out: NA	Day 3 Time in: NA Day 3 Time out: NA Same as above
B: Number of auditor days used:	1 auditor in 2 days 1 assessor in 1 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input checked="" type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced Same as above		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not SAQ was not complete in Sedex system. Same as above		
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: NA Same as above		
G: Who signed and agreed CAPR (Name and job title)	/ Admin		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	Not provided July 3&4, 2019		
J: Previous audit type:	Not provided Initial		

K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> No	<input checked="" 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 checked="" type="checkbox"/> No	<input checked="" 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 checked="" type="checkbox"/> No	<input checked="" 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)	N/A N/A		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No functional union in the factory. No functional union in the 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)

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>
Safety and Hygienic Conditions 01	New	It was noted that no safety eye-shields were installed to 3 out of 5 randomly selected bar tacking sewing machines on the 4F of the [REDACTED] building. [REDACTED] [REDACTED] [REDACTED]	<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 factory should provide proper Health & Safety training to workers, conduct regular Health & Safety inspection, equip safety eye-shield for all bar tacking sewing machines to comply with the law. The factory shall develop and implement [REDACTED] procedures to reduce or eliminate the risk of an injury	30 days	Desktop	[REDACTED] / Admin		

				from moving machinery parts.					
Safety and Hygienic Conditions 02	New Carried over	<p>It was noted that there were another company ('' located in same premier or shared the same building with the auditee, both companies were under the same group company ''</p> <p>The auditee was a manufacturing factory, while '' focus on camp education. Both companies had independent business license and management under different management. No worker exchanged between the auditee and other company. The auditee rented 6-storey of building (1/F, 3/F~6/F) as workshop and warehouse, 6-storey of building (1/F) as warehouse, 3-storey of Building 5# (1/F, 3/F) as workshop and warehouse, 5-storey of Service building (2/F as office) from the landlords (also branch companies</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other – please give details: awareness	It is recommended that the factory should not share buildings with other factory or company.	30 days	Follow-Up	Admin /	<p>It was noted that there were another company ('' located in same premier or shared the same building with the auditee, both companies were under the same group company ''</p> <p>The auditee was a manufacturing factory, while '' focus on camp education. Both companies had independent business license and management under different management. No worker exchanged between the auditee and other company. The auditee rented 6-storey of building (1/F, 3/F~6/F) as workshop and warehouse, 6-storey of building (1/F) as warehouse, 3-storey of Building 5# (1/F, 3/F) as workshop and warehouse, 5-storey of Service building (2/F as office) from the landlords (also branch companies</p>	Open

		<p>under "Yodo Industrial"), while " " used the 2nd floor of " " building & 2nd floor of Building 5# as a commercial education area. For " " building, 2/F-6/F were on decoration. According to management representation, these floors would be leased as office floors after final decoration. The auditee only rented the 2nd floor of the service building as office building, one canteen was found on the 5th floor, which was claimed to belong to " " the auditee did not use the canteen.</p> <p>Factory walk through was accompanied by factory management to shared buildings. Per factory tour, there was no central panel for fire alarm or PA system in all buildings. No sprinkler system was installed in those buildings. Smoke detector was only installed in material warehouse on 1st floor of " " building, one smoke detector was installed in finished goods warehouse on the 5th floor of " " building. Joint fire drill was conducted twice</p>						<p>under "Yodo Industrial"), while " " used the 2nd floor of " " building & 2nd floor of Building 5# as a commercial education area. For " " building, 2/F-6/F were under decoration. According to management representation, these floors would be leased as office floors after final decoration. The auditee only rented the 2nd floor of the service building as office areas, one canteen was found on the 5th floor, which was claimed to belong to " " the auditee did not use the canteen.</p> <p>Factory walk through was accompanied by factory management to shared buildings. Per factory tour, there was no central panel for fire alarm or PA system in all buildings. No sprinkler system was installed in those buildings. Smoke detectors were installed on each floor of the production buildings. Joint fire drill was conducted twice per year with " " who shared " " building with the auditee.</p>	
--	--	--	--	--	--	--	--	---	--

		<p>per year with [REDACTED] who shared [REDACTED] building with the auditee. During the factory walkthrough, missing safety exit sign & emergency light was detected on the 2nd floor of [REDACTED] building.</p> <p>审核员发现工厂围墙内有其他公司（厦门悠度营地教育科技有限公司，以下简称“悠度营地”），且工厂有与其他公司共用建筑的情况。两个公司同属于“厦门悠度休闲用品股份有限公司”的子公司。工厂属于生产制造类型企业，“悠度营地”属于营地教育公司。两个公司有独立营业执照，独立管理，工人不会交换使用。</p> <p>工厂租赁了 6 层诚信楼的 1 楼，3 楼-6 楼作为车间和仓库，6 层和谐楼 1 楼作为仓库，3 层 5#楼的 1 楼及 3 楼作为车间和仓库，5 层服务楼的 2 楼（作为办公室）。诚信楼 2 楼及 5#楼 2 楼是“悠度营地”用作教育营地。和谐楼 2-6 楼目前还在装修，未来将用作办公室出租。服务楼 5 楼是食堂，属于“悠度营地”在使用，审核工厂未使用该饭堂。</p> <p>工厂陪同走访了共用建筑楼，目前正在使用的建筑无中控系统，PA 系统及喷淋系统。除和谐楼 1 楼仓库有烟感，及诚信楼 5 楼成品仓有 1 个烟感，其他楼层无烟</p>						<p>审核员发现工厂围墙内有其他公司（厦门悠度营地教育科技有限公司，以下简称“悠度营地”），且工厂有与其他公司共用建筑的情况。两个公司同属于“厦门悠度休闲用品股份有限公司”的子公司。工厂属于生产制造类型企业，“悠度营地”属于营地教育公司。两个公司有独立营业执照，独立管理，工人不会交换使用。</p> <p>工厂租赁了 6 层诚信楼的 1 楼，3 楼-6 楼作为车间和仓库，6 层和谐楼 1 楼作为仓库，3 层 5#楼的 1 楼及 3 楼作为车间和仓库，5 层服务楼的 2 楼（作为办公室）。诚信楼 2 楼及 5#楼 2 楼是“悠度营地”用作教育营地。和谐楼 2-6 楼目前还在装修，未来将用作办公室出租。服务楼 5 楼是食堂，属于“悠度营地”在使用，审核工厂未使用该饭堂。</p> <p>工厂陪同走访了共用建筑楼，目前正在使用的建筑无中控系统，PA 系统及喷淋系统。每栋楼的每个楼层均安装了烟感。工厂有在每年两次的消防演习中与共用建筑的“悠度营地”进行联合消防演习）。</p>	
--	--	--	--	--	--	--	--	--	--

		感。工厂有在每年两次的消防演习中与共用建筑的“悠度营地”进行联合消防演习)。现场走访发现“悠度营地”所使用的诚信楼 2 楼有缺失出口标志和应急灯的问题点。							
Safety and Hygienic Conditions 03	New N/A	It was noted that no evacuation plan was posted in shed building near 1F of building. -	<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 factory should post evacuation maps in each fire protection area as ETI code.	30 days	Desktop	/ Admin	It was noted that evacuation floor plan was posted in the shed building near 1F of Building.	Closed
Safety and Hygienic Conditions 04	New N/A	It was noted that insufficient emergency light was installed to light up following areas: 1) evacuation routes & one safety exit in city camp on the 2nd floor of building; 2) shed building near 1F of building. 现场走访发现以下区域应急照明不足: 1) 诚信楼 2 楼城市营地的疏散通道及一个安全出口; 2) 诚信楼 1 楼旁边加建区。	<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 factory should install emergency lights at the above areas. Management has to undertake regular checks on these emergency lights to ensure that they are fully operational at all times.	30 days	Desktop	/ Admin	It was noted that safety emergency lights were installed in the factory, including following areas: 1) evacuation routes & one safety exit in city camp on the 2nd floor of building; 2) 2 out of 2 emergency exits in the shed building of building.	Closed
Safety and Hygienic Conditions 05	New N/A	It was noted that no exit sign was affixed on safety exits in following areas: 1) 3 out of 3 safety exits in mezzanine in material warehouse on the 1st floor of building;	<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 powered exit signs should be affixed on the emergency exits of above areas, the factory should provide proper fire safety training to	30 days	Desktop	/ Admin	It was noted that exit signs were installed in the factory, including following areas: 1) 3 out of 3 safety exits in mezzanine in material warehouse on the 1st floor of building;	Closed

		<p>2) 1 out of 2 safety exits in recombination section on the 1st floor of building 5#;</p> <p>3) 2 out of 2 safety exits in shed building near 1F of building.</p> <p>4) 1 out of 3 safety exits on the 2nd floor of building.</p> <p>现场走访发现以下区域安全出口无灯光式出口标志:</p> <p>1) 和谐楼 1 楼材料仓夹层的 3 个楼梯出口;</p> <p>2) 5#楼 1 楼复合车间的 1 个安全出口;</p> <p>3) 诚信楼 1 楼旁边的加建区 2 个安全出口。</p> <p>4) 诚信楼 2 楼 3 个安全出口中的 1 个安全出口。</p>		workers, conduct regular health & safety inspection.				<p>2) 2 out of 2 safety exits in recombination section on the 1st floor of building 5#;</p> <p>3) 2 out of 2 safety exits in shed building near 1F of building.</p> <p>4) 3 out of 3 safety exits on the 2nd floor of building.</p>	
Safety and Hygienic Conditions 06	New N/A	<p>It was noted that 1 out of 2 safety exits in compounding section on the 1st floor of Building 5# was fully blocked by sundries, besides, the factory did not pull up the rolling door installed at this safety exit.</p> <p>审核发现 5#生产楼 1 楼有 1 个安全出口被物料堵塞, 且工厂未将该处的卷帘门拉起。</p>	<input checked="" type="checkbox"/> Training <input 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 factory should ensure that all safety exits are free of obstruction.	30 days	Follow up	/ Admin	<p>It was noted that: 1. locking device was installed to the rolling door; besides, one iron doorsill was installed underneath to keep the rolling door open during working hours; 2. all emergency exits were freely accessible during this audit.</p>	Closed
Safety and Hygienic Conditions 07	New N/A	<p>It was noted that 1 out of 2 safety exits in compounding section on the 1st floor of</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	It is recommended that the factory should identify the requirements	30 days	Desktop	/ Admin	<p>It was noted that the locking device was installed to the rolling door on the 1F of the</p>	Closed

		Building 5# was rolling door (no locking device). 审核发现 5#生产楼 1 楼 1 个安全出口未卷帘门（无固定装置）。	<input checked="" type="checkbox"/> Other – please give details: isolate situation	related to the emergency doors, provide proper fire safety training to workers, conduct regular health & safety inspection, re-install all factory doors to be open in the direction of evacuation.				production building 5#, besides, another exit was installed which keep the rolling door opening during working hours.	
Safety and Hygienic Conditions 08	New N/A	It was noted that the maintenance for 4 fire extinguishers (dry powder extinguishers) in material warehouse in 1F of building had been expired in July 2018. 审核发现和谐楼 1 楼物料仓有 4 个灭火器的外检在 2018 年 7 月到期。	<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 factory should conduct maintenance work for those fire extinguishers according to the requirement of national standard.	30 days	Desktop	/ Admin	It was noted that factory had conducted comprehensive check for the fire extinguishers and replaced those expired ones. 8 out of 8 randomly selected fire extinguishers were maintained externally in May 2019.	Closed
Safety and Hygienic Conditions 09	New N/A	It was noted that only one smoke detector was installed in finished goods warehouse on the 5th floor of building (2093 square meters per floor). Besides, no smoke detector was installed in sundry warehouse on the 6th floor of building. 现场走访发现诚信楼 5 楼成品仓只安装了 1 个烟感（单层面积 2093 平方米）。此外，诚信楼 6 楼杂物仓没有安装烟感。	<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 factory should install smoke detector in above areas as client requirement.	30 days	Desktop	/ Admin	It was noted that sufficient smoke detectors were installed at each fire compartment on 5F, 6F of the building.	Closed

Wages and Benefits 01	New Carried over	<p>It was noted that there was a total of 374 employees in June 2019, including 374 employees were eligible to receive five types of social insurances. Through review of social insurance enrolment list, only 303 employees were enrolled these 5 types of insurance of pension insurance, medical insurance, Unemployment insurance, child-bearing insurance and occupational injury insurance.</p> <p>Remark: The factory had bought the commercial insurance to all 158 employees (included those who were not enrolled in social insurance) with the valid period from April 25, 2019 to April 24, 2020. The aforesaid commercial insurance includes 1) Group Accident Insurance with a coverage of RMB 18,960,000, 2) Group Critical Illness Insurance with a coverage of RMB 1,580,000.</p> <p>工厂 2019 年 7 月共有 374 人, 其中 374 人符合参保条件。工厂仅为 303 名员工购买了社保(养老, 医疗, 生育, 失业及工伤保险)。此外, 工厂为 158 名员工(含</p>	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the factory should ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurances schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.</p>	120 days	Desktop	/ Admin	<p>It was noted that there was a total of 394 employees in September 2019, and all of them were eligible to receive five types of social insurances. Through review of social insurance enrolment list, only 304 employees were enrolled in 5 types of insurance, which were pension insurance, medical insurance, Unemployment insurance, child-bearing insurance and occupational injury insurance.</p> <p>Remark: The factory had bought the commercial insurance to 158 employees (included those who were not enrolled in social insurance) with the valid period from April 25, 2019 to April 24, 2020. The aforesaid commercial insurance includes 1) Group Accident Insurance with a coverage of RMB 120,000, 2) Group Critical Illness Insurance with a coverage of RMB 10,000.</p> <p>工厂 2019 年 9 月共有 394 人, 全部符合参保条件。工厂仅为 304 名员工购买了 5 险(养老, 医疗, 生育, 失业及工伤保险)。此外, 工厂为 158 名员工(含未参保员工)购买了有效期为</p>	Open
-----------------------	------------------	---	--	---	----------	---------	---------	---	------

		未参保员工)购买了有效期为2019年4月25日至2020年4月24日的商业保险,其中包括1)团体意外伤害保险,总保额1896000元;2)团体重大疾病保险,总保额158000元。						2019年4月25日至2020年4月24日的商业保险,其中包括1)团体意外伤害保险,总保额120000元;2)团体重大疾病保险,总保额100000元	
Working hours 01	New N/A	It was noted that the monthly overtime hours of 26 out of 26 randomly selected workers exceeded 36 hours in May 2019 with the highest of 92 hours; 26 out of 26 exceeded 36 hours in April 2019 with the highest of 90 hours; 26 out of 26 exceeded 36 hours in December 2018 with the highest of 106 hours. (remark: the maximum weekday overtime hours in recent 2 months is 2 hours (total 10 hours on that day)). 26名抽样员工在2019年5月加班超36小时,最高月加班92小时,在2019年4月加班超36小时,最高月加班90小时及2018年12月月加班超36小时,最高月加班106小时。(备注:员工的最近2个月的最大日加班时间为2小时,总工时10小时/天)。	<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 factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.	60 days	Follow up	/ Admin	It was noted that the monthly overtime working hours of 10 out of 10 randomly selected workers were within 36 hours in June 2019, July 2019 and August 2019 respectively.	Closed
Working hours 02	New N/A	It was noted that 26 out of 26 randomly selected workers have worked more than 6 consecutive	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	It is recommended that the factory should arrange reasonable	60 days	Follow up	/ Admin	It was noted that 10 out of 10 randomly selected workers were guaranteed 1 day of rest	Closed

		<p>days without 1 day off from June 2018 to July 2019, the maximum consecutive working days were 13 days from May 13-25, 2019. (remark: the maximum consecutive working days in recent 2 months is 13 days from May 13-25, 2019).</p> <p>26 名抽样员工在 2018 年 6 月至 2019 年 7 月间有连续工作超过 6 天没有一天休息, 最长连续上班 13 天, 从 2019 年 5 月 13 日至 25 日。</p> <p>备注: 当前两月的最长日加班为 13 天, 从 2019 年 5 月 13 日至 25 日。</p>	<input type="checkbox"/> Other – please give details: Industry Norm	<p>production plan, increase productivity using positive means (such as bonuses) and ensure every worker enjoy at least 1 day off in a week. Develop a work schedule that limits overtime and does not encourage employees to work on their rest days. Employees should be educated on the health/safety impact of excessive overtime.</p>				<p>per 7 days from June 2019 to October 2019.</p>	
Working Hours 03	New N/A	<p>It was noted that the weekly working hours of 26 out of 26 randomly selected workers exceeded 66 hours in May 2019 with the highest of 80 hours; 26 out of 26 workers exceeded 66 hours in April 2019 with the highest of 66 hours; 26 out of 26 exceeded 60 hours in December 2018 with the highest of 66 hours.</p> <p>26 名抽样员工在 2019 年 5 月周工时超 60 小时, 最高周工时 66 小时, 2019 年 4 月周工时超 60 小时, 最高周工时 66 小时, 2018 年 12 月周工时超 60 小时, 最高周工时 66 小时。</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 recommended that factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and limit the working hours to comply with the client's requirement.</p>	60 days	Follow up	<p>Admin /</p>	<p>It was noted that the weekly working hours 10 out of 10 randomly selected workers were within 60 hours in June 2019, July 2019 and August 2019 respectively. 在此次审核中, 审核员发现 3 个抽样月 2019 年 6 月, 2019 年 7 月, 2019 年 8 月所有 10 名随机抽样的工人的周工时均不超 60 小时。</p>	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) 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>
Safety and Hygienic Conditions 01	New Carried over	It was noted that no PA system was available in the factory. 工厂没有楼层之间的快速对讲沟通系统。 It was noted that no PA system was available in the factory. 工厂没有楼层之间的快速对讲沟通系统。	awareness	It is recommended that the factory should install PA system as client requirement.
Safety and Hygienic Conditions 02	New Carried over	It was noted that the factory did not have central panel for fire alarm. 工厂没有警铃中控系统。 It was noted that the factory did not have central panel for fire alarm. 工厂没有警铃中控系统。	awareness	It is recommended that the factory should install central panel for fire alarm as client requirement.

Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
N/A	N/A	N/A

Confirmation

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.

A: Site Representative Signature:	<div></div> <div></div>	Title Admin Date Jul 3~4, 2019 Title Admin Date October 16, 2019
B: Auditor Signature:	Amanda He Rony Le	Title Lead Assessor Date Jul 3~4, 2019 Title Lead Assessor Date October 16, 2019
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:		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		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](https://www.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)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>