



# 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 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](http://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](http://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: <i>(only available on Sedex System)</i>	ZC5000006443	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000006637
Business name (Company name):	Qingdao Toposh International Trade Co Ltd		
Site name:	Qingdao Toposh Jewelry Co Ltd		
Site address:	Room201,Floor2,Building23,No.6ChangchengSouth Road,Chengyang District,Qingdao,Shandong Qingdao 266109 CN	Country:	CN
Site contact and job title:	Wang Yumei / HR Manager		
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-07-21		

Audit Company Name:
BUREAU VERITAS CPS - ASIA

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 Parameters		
Time in and time out	Day 1	
	In	08:30
	Out	16:30
Audit type:	FULL_INITIAL	
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	Wang Yumei / HR Manager	
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
<i>Reason for absence at the opening meeting</i>	No labor union in the factory.		
<i>Reason for absence during the audit</i>	No labor union in the factory.		
<i>Reason for absence at the closing meeting</i>	No labor union in the factory.		

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<a href="#">3 - Working conditions are safe and hygienic</a>	3.1 3.1 3.1 3.1	§1 §2 §3 §4	4	0	0	NC - ZAF600114995 NC - ZAF600114996 NC - ZAF600114997 NC - ZAF600114998
<a href="#">5 - Living wages are paid</a>	5.1	§5	1	0	0	NC - ZAF600114999
<a href="#">6 - Working hours are not excessive</a>	6.1	§6	1	0	0	NC - ZAF600115000
<a href="#">10C - Business ethics 4-pillar</a>	10.C.8		1	0	0	NC - ZAF600115001

## Local Law Issues

Issue	Description
§1	<p>In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.</p> <p>根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康的资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。</p>
§2	<p>In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.</p> <p>根据《中华人民共和国安全生产法》第42条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。</p>




<p>§3</p>	<p>In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination. The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts. The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.</p> <p>根据《中华人民共和国职业病防治法》第35条：根据《中华人民共和国职业病防治法》第35条：从事接触职业病危害的作业的劳动者，用人单位应当按照国务院卫生行政部门的规定组织上岗前、在岗期间和离岗时的职业健康检查，并将检查结果书面告知劳动者。职业健康检查费用由用人单位承担。用人单位不得安排未经上岗前职业健康检查的劳动者从事接触职业病危害的作业；不得安排有职业禁忌的劳动者从事其所禁忌的作业；对在职业健康检查中发现有与所从事的职业相关的健康损害的劳动者，应当调离原工作岗位，并妥善安置；对未进行离岗前职业健康检查的劳动者不得解除或者终止与其订立的劳动合同。职业健康检查应当由取得《医疗机构执业许可证》的医疗卫生机构承担。卫生行政部门应当加强对职业健康检查工作的规范管理，具体管理办法由国务院卫生行政部门制定。</p>
<p>§4</p>	<p>In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.</p> <p>根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</p>
<p>§5</p>	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p> <p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：(一)退休；(二)患病、负伤；(三)因工伤残或者患职业病；(四)失业；(五)生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p>

§6	<p>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p> <p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>
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## Corrective Action Plan - Non Compliances

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600114995	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	230 - No material safety data sheet (MSDS) obtained / available	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 27 of the Regulation For Chemical Usage Safety in Work Place: Staff and workers are entitled to receive: (1) Date and information in description of the specific characteristics, hazardous ingredients, and safety precaution marks of the chemicals to be used in the working premises, and instructions upon safety techniques, etc. (2) Information concerning the probability of occurrence of harm against safety and health of staff and workers caused by hazardous chemicals in the working process. (3) Trainings upon safety techniques, including trainings with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles in conformity to State stipulations.</p> <p>根据《工作场所安全使用化学品规定》第27条：职工有权获得：(1)工作场所使用化学品的特性、有害成分、安全标签以及安全技术说明书等资料；(2)在其工作过程中危险化学品可能导致危害安全与健康资料；(3)安全技术的培训，包括预防、控制、及防止危险方法的培训和紧急情况处理或应急措施的培训；(4)符合国家规定的劳动防护用品。</p>	
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	It was noted that no material safety data sheet for products (MSDS) was available for the chemical (e.g. glue) being used in the assembling workshop.	

	审核员发现组装车间使用的胶没有化学品安全技术说明书(MSDS)。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that management adopt practices and controls to ensure that all chemicals being used in the factory have complete material safety data sheet for products (MSDS) which are also provided to the relevant employees handling chemicals in the factory.</p> <p>建议所有在工厂使用的化学品都具备完整的化学品安全技术说明书(MSDS)，并提供给工厂内使用化学品的相关员工。</p>	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600114996	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 42 of Law of the People's Republic of China on Production Safety, business entities must provide their employees with labor protection products meeting the national or industry standards, and supervise and educate their employees on wearing or using such products in accordance with the rules of use.</p> <p>根据《中华人民共和国安全生产法》第42条：生产经营单位必须为从业人员提供符合国家标准或者行业标准的劳动防护用品，并监督、教育从业人员按照使用规则佩戴、使用。</p>	 <a href="#">not wearing protection finger gloves.JPG</a>
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.	 <a href="#">not wearing mask and gloves.JPG</a>
Explanation to the non compliance	<p>It was noted that 1 out of 1 employee in the cutting workshop did not wear ear plugs provided by the factory. It was noted that 5 out of 15 employees in the assembling workshop did not wear protection finger gloves provided by the factory. It was noted that 4 out of 4 employees in the assembling workshop did not wear activated carbon mask and gloves provided by the factory.</p> <p>审核员发现工厂切割车间有噪音产生，但是1/1名工人没有佩戴工厂提供的耳塞。组装车间5/15名工人没有佩戴工厂提供的护指手套，组装车间4/4名点胶工人没有佩戴工厂提供的口罩和手套。</p>	 <a href="#">not wearing ear plugs.JPG</a>
Follow up	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	

method		
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that management adopt practices and controls to ensure that necessary personal protective equipments are provided to relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.</p> <p>建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。</p>	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600114997	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	318 - Inadequate / isolated failure in conducting medical examinations/ occupational health checks of workers in hazardous situations (e.g. noise / chemicals / dust)	
Subcategory	Worker Health	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination. The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts. The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.</p> <p>根据《中华人民共和国职业病防治法》第35条：根据《中华人民共和国职业病防治法》第35条：从事接触职业病危害的作业的劳动者，用人单位应当按照国务院卫生</p>	

	<p>行政部门的规定组织上岗前、在岗期间和离岗时的职业健康检查，并将检查结果书面告知劳动者。职业健康检查费用由用人单位承担。用人单位不得安排未经上岗前职业健康检查的劳动者从事接触职业病危害的作业；不得安排有职业禁忌的劳动者从事其所禁忌的作业；对在职业健康检查中发现有与所从事的职业相关的健康损害的劳动者，应当调离原工作岗位，并妥善安置；对未进行离岗前职业健康检查的劳动者不得解除或者终止与其订立的劳动合同。职业健康检查应当由取得《医疗机构执业许可证》的医疗卫生机构承担。卫生行政部门应当加强对职业健康检查工作的规范管理，具体管理办法由国务院卫生行政部门制定。</p>
ETI code	<p>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.</p>
Explanation to the non compliance	<p>It was noted that the factory provided the occupational health checks to employees in production workshop who were in contact with hazardous materials (e.g. glue) yearly. However, the occupational health checks were not provided to employees before they take the posts or leave the posts.</p> <p>审核员发现厂方有每年为在车间接触有毒有害物质(如：胶)的员工提供职业病体检，但工厂并没有组织这些员工在上岗前和离岗时进行职业病体检。</p>
Follow up method	<p><input type="checkbox"/> Follow up audit                      <input checked="" type="checkbox"/> Desktop audit</p>
Timescale	<p><input type="checkbox"/> Immediate            <input type="checkbox"/> 30 days                      <input checked="" type="checkbox"/> 60 days</p> <p><input type="checkbox"/> 90 days                <input type="checkbox"/> 120 days                    <input type="checkbox"/> 180 days</p> <p><input type="checkbox"/> 365 days               <input type="checkbox"/> Other</p>
Actions	<p>It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials in the workshop.</p> <p>建议工厂给在车间接触有毒有害物质的员工提供定期体检。</p>

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600114998	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters.</p> <p>根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</p>	
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	<p>It was noted that the gap between some goods and walls was 0 meter in the warehouse, which was less than the legal requirement of 0.5 meter.</p> <p>审核员发现仓库里的部分货物与墙的间距为0米，小于法定0.5米的要求。</p>	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/>	
		
	<p><u>goods placed against the wall.JPG</u></p>	

	365 days	Other	
Actions	<p>It is recommended that management adopt practices and controls to ensure that the width of gap between stacks and walls are in accordance with the legal requirement.</p> <p>建议工厂确保仓库库存物品垛与墙的间距符合法律要求。</p>		

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600114999	
Clause	5 - Living wages are paid	
Issue Title	424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <span style="margin-left: 100px;"><input type="checkbox"/> Carried Over</span>	
Root cause	<input type="checkbox"/> Training <span style="margin-left: 100px;"><input type="checkbox"/> System</span> <input checked="" type="checkbox"/> Costs <span style="margin-left: 100px;"><input type="checkbox"/> Lack of workers</span> <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 73 of the Labor Law of the People's Republic of China, employees shall, in accordance with the law, be entitled to social insurance benefits under the following circumstances: (1) retirements; (2) illness or injury; (3) disability caused by work-related injury or occupational disease; (4) unemployment; and (5) maternity. The survivors of the insured laborers shall be entitled to subsidies for survivors in accordance with the law. The conditions and standards for laborers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations. The social insurance amount that laborers and entitled to, must be timely paid in full amount.</p> <p>根据《中华人民共和国劳动法》第73条：劳动者在下列情形下，依法享受社会保险待遇：（一）退休；（二）患病、负伤；（三）因工伤残或者患职业病；（四）失业；（五）生育。劳动者死亡后，其遗属依法享受遗属津贴。劳动者享受社会保险待遇的条件和标准由法律、法规规定。劳动者享受的社会保险金必须按时足额支付。</p>	
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.	
Explanation to the non compliance	<p>It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt provided by factory management, it was noted that only 73 out of 80 employees were provided with [pension, accident, unemployment, medical, maternity] insurance in June 2023.</p> <p>审核员发现工厂的社会保险覆盖不足。根据厂方提供的2023年6月社会保险缴费单据显示工厂为73/80名员工提供医疗，失业，生育，养老和工伤保险。</p>	

Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.</p> <p>建议工厂为员工提供所有法定的社会保险福利。</p>	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600115000	
Clause	6 - Working hours are not excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p> <p>根据《中华人民共和国劳动法》第41条：用人单位由于生产经营需要，经与工会和劳动者协商后可以延长工作时间，一般每日不得超过一小时；因特殊原因需要延长工作时间的，在保障劳动者身体健康的条件下延长工作时间每日不得超过三小时，但是每月不得超过三十六小时。</p>	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	It was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from auditor selected month December 2022, 10 samples from April 2023 and 10 samples from current month June 2023) yielded the following: <ul style="list-style-type: none"> <li>•10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 65.5 hours) in December 2022, which was not in compliance with the legal requirement;</li> <li>•10 out of 10 sample population employees worked in excess of 36 overtime hours per month (i.e. 65 hours) in April 2023, which was not in compliance with the legal</li> </ul>	

	<p>requirement; •10 out of 10 sample population employees worked in excess of 3 overtime hours per month (i.e. 55.5 hours) in June 2023, which was not in compliance with the legal requirement.</p> <p>根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工资记录中抽取30个样本(其中从2022年12月抽取10个，从2023年4月抽取10个，从最近月份2023年6月抽取10个)，发现有30名员工加班时间超出了法定标准，具体为：          • 10/10名员工在2022年12月的加班时间为65.5小时，超过每月加班时间不能超过36小时的法律规定；          • 10/10名员工在2023年4月的加班时间为65小时，超过每月加班时间不能超过36小时的法律规定；          • 10/10名员工在2023年6月的加班时间为55.5小时，超过每月加班时间不能超过36小时的法律规定。</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.</p> <p>建议工厂确保员工的加班时间符合法律要求。</p>	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600115001	
Clause	10C - Business ethics 4-pillar	
Issue Title	658 - Lack of detailed Business Ethics policy concerning bribery, corruption or unethical business practices (e.g. fraud, tax evasion, political interest, anti-competitive practices, extortion or money laundering, etc.)	
Subcategory	BE - Systems to manage compliance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code	10.C.8 - Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.	
Explanation to the non compliance	It was noted that the policy and procedures to prevent or avoid bribery, corruption and other unethical business practices had not been communicated to factory's suppliers.  工厂没有将防止或避免贿赂、腐败和其他不道德商业行为的政策和程序传达给工厂的供应商。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the policy and procedures to prevent or avoid bribery, corruption and other unethical business practices are communicated to factory's suppliers.  建议工厂工厂将防止或避免贿赂、腐败和其他不道德商业行为的政策和程序传达给工厂的供应商。	



## 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:	Jason Teng	APSCA Number:	21701231
Additional Auditors:	Jordan Li		
Date of declaration:	2023-07-21		

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	
Full Name:	Wang Yumei
Title:	HR Manager
Date of declaration:	2023-07-21
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i>  <i>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).</i>  <i>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</i></p>
Nil	

## 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.



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