



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.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC415300867	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS415351987	
Business name (Company name):	LITAI (QUANZHOU) BAGS CORP LIMITED			
Site name:	LITAI (QUANZHOU) BAGS CORP LIMITED			
Site address:	Floor 2-3, Building A, Haoxin Building, No. 368 Chonghong Street, Quanzhou Economic and Technological Development Zone, Fujian Province 福建省泉州经济技术开发区 崇宏街368号豪信大厦 A幢2-3楼 Quanzhou 362000 CN	Country:	CN	
Site contact and job title:	Ms. Wu Hongying / Admin Director			
Site phone:	13505999789	Site e-mail:	2219532755@qq.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2024-09-12			

Audit Company Name:
TUV Rheinland (TUEV Rheinland)

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	08:10
	Out	17:10
Audit type:	PERIODIC	
Was the audit announced?	SEMI_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	Ms. Wu Hongying / Admin Director	
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>	N/A. No trade union was formed in factory.		
<i>Reason for absence during the audit</i>	N/A. No trade union was formed in factory.		
<i>Reason for absence at the closing meeting</i>	N/A. No trade union was formed in 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	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.3	§1 §2 §3 §4	4	0	0	NC - ZAF600626166 NC - ZAF600626167 NC - ZAF600626168 NC - ZAF600626171
<u>5 - Living wages are paid</u>	5.1	§5	1	0	0	NC - ZAF600626169
<u>6 - Working hours are not excessive</u>	6.1	§6	1	0	0	NC - ZAF600626170

Local Law Issues




Issue	Description
§1	Regulation on chemical safe handling in workplace (1997), Article 12 The chemicals used by the user shall be marked, and the dangerous chemicals shall have safety labels, and safety technical instructions shall be provided to the operators.
§2	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.
§3	Code for Design of Low Voltage Electrical Installations GB 50054-2011, 5.1.1 The parts should be covered with an insulating layer, and the insulating layer should be able to withstand the various adverse effects of mechanical, chemical, electrical and heat encountered during operation for a long time.
§4	Food Safety Law of the People's Republic of China (2021 Amendment), Article 45 A food producer or trader shall establish and implement a health management system for employees. Persons suffering from any disease that may jeopardize food safety as specified by the health administrative department of the State Council may not engage in work involving contact with ready-to-eat food. Food production and trade employees who engage in work involving contact with ready-to-eat food shall take a medical examination every year and may not hold their positions unless a health certificate is obtained.
§5	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

§6	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.
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Corrective Action Plan - Non Compliances

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600626166	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	233 - Hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA415379599	
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	Regulation on chemical safe handling in workplace (1997), Article 12 The chemicals used by the user shall be marked, and the dangerous chemicals shall have safety labels, and safety technical instructions shall be provided to the operators.	
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 there was no label for chemical (such as machine oil) used in production workshop. 发现在生产车间使用的化学品（如机油）没有标识。 Periodic audit conducted on 14/Sept/2023: It was noted that there was no label for chemical (such as machine oil) used in production workshop. 发现在生产车间使用的化学品（如机油）没有标识。 Periodic audit conducted on 12/Sept/2024: Open It was noted that there was no label for chemical (such as machine oil) used in production workshop. 发现在生产车间使用的化学品（如机油）没有标识。</p>	
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	
		 <u>No chemical label was available for the chemical containers..JPG</u>

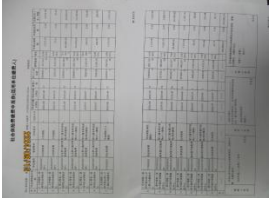
Actions	The factory should ensure chemical safety labels are available for the chemical containers at chemical used area. 工厂应确保现场使用的化学品容器均张贴化学品安全标签。	
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600626167	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA415379599	
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	General rules for designing the production facilities in accordance with safety and health requirements (GB5083-1999), Article 6.1.6 Based on the plane of the operator's operation position, all exposed dangerous parts such as drive belt, shaft, drive chain, coupling, pulley, gear, flywheel, chain wheel, electric saw and other dangerous parts with the height within 2m must be equipped with safety protection devices.	
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 belt guards were equipped for about 20% sewing machines and no finger guards were equipped for about 10% sewing machines. 现场发现，约20%的针车没有皮带防护和10%的针车没有护指环。 Periodic audit conducted on 14/Sept/2023: Based on site observation, no pulley guards were installed for 10% high sewing machines, no finger guards were installed for 50% flat sewing machines, and no needle guards were installed for 80% computer sewing machines. 现场审核发现10%的高车未安装皮带轮防护罩，50%的平车无护指器，80%的电电脑车无挡针板。 Periodic audit conducted on 12/Sept/2024: Open Based on site observation, no pulley guards were installed for 10% high sewing machines, no finger	 <p>No pulley guard for high sewing machine..JPG</p>  <p>No needle guard for computer sewing machine..JPG</p>  <p>No finger guard for flat sewing machine..JPG</p>

	guards were installed for 50% flat sewing machines, and no needle guards were installed for 80% computer sewing machines. 现场审核发现10%的高车未安装皮带轮防护罩, 50%的平车无护指器, 80%的电脑车无挡针板。	
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	The factory should install pulley guards, finger guards and needle guards for high sewing machines, flat sewing machines and computer sewing machines respectively. 工厂应分别给高车, 平车和电脑车安装皮带轮防护罩, 护指器和挡针板。	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600626168	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	224 - Isolated occurrence of incorrect / damaged insulation in electricals including burnt / damaged wiring and plugs	
Subcategory	Electrical risk	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA415379599	
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	Code for Design Oflow Voltage Electrical Installations GB 50054-2011, 5.1.1 The parts should be covered with an insulating layer, and the insulating layer should be able to withstand the various adverse effects of mechanical, chemical, electrical and heat encountered during operation for a long time.	
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 one electrical switch was not equipped with protective cover in production workshop. 现场发现生产车间的一个电气开关没有保护外盖。 Periodic audit conducted on 14/Sept/2023: It was noted that one electrical switch was not equipped with protective cover in production workshop. 现场发现生产车间的一个电气开关没有保护外盖。 Periodic audit conducted on 12/Sept/2024: Open It was noted that one electrical switch was not equipped with protective cover in production workshop. 现场发现生产车间的一个电气开关没有保护外盖。	
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	
		 <p>One electrical switch was not equipped with protective cover.JPG</p>

	<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	The factory should installed protective covers for all electrical switches. 工厂应给所有的电气开关安装防护外盖。	


Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600626169	
Clause	5 - Living wages are paid	
Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic	
Subcategory	Benefits & Insurance	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA415379599	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	Social Insurance Law of the People's Republic of China Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.	
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.	<p><u>Not all workers were provided with social insurance..JPG</u></p>
Explanation to the non compliance	Based on insurance receipt on May 2021, there were 98 (including 5 retired rehired employees and 0 new employee) employees on the audit date, insufficient social insurances were paid to employees, the current system: endowment insurance: 39 employees, occupational injury insurance: 39	

	<p>employees, unemployment insurance: 39 employees, maternity insurance: 44 employees, medical insurance: 44 employees. However, the factory had provided commercial insurance to all employees, which validated from 16 April 2021 to 15 April 2022. 根据2021年5月份的社保缴费凭证, 工厂共98名员工 (包括5名退休返聘的员工和无新进员工), 工厂为39人购买了养老保险, 工伤保险和失业保险, 44人购买了生育保险和医疗保险。且工厂为全部员工购买了商业保险, 有效期从2021年4月16日至2022年4月15日。 Periodic audit conducted on 14/Sept/2023: Not all workers were provided with social insurance. There were total 98 employees hired at the factory during audit date. 8 employees were retire hired to work again, no employees were new hired and 1 employee was resigned since Aug, 2023, so the factory should provide social insurance to 91 employees in Aug, 2023. The factory provided social insurance receipts from Sept, 2022 to Aug, 2023 for review, as per the social insurance receipts in Aug, 2023 and management review, the factory only provided medical & child-bearing insurance for 67 workers (73.6%), provided retirement and unemployment insurance for 65 workers (71.4%), and work-related injury insurance for 66 workers (72.5%). Remark: Factory provided commercial accident insurance for all workers, and valid date was since 21 Jun, 2023 to 20 Jun, 2024. 不是所有人都缴纳了社保。工厂共有98名员工, 8名退休返聘员工, 2023年8月无新入职员工, 有1名离职员工, 因此, 工厂在2023年8月应给91名员工缴纳社保。工厂提供了2022年9月-2023年8月的社保缴费记录, 根据管理层访谈及2023年8月的缴费记录, 工厂仅给67名员工 (73.6%) 缴交医疗和生育保险, 给65名员工 (71.4%) 缴交养老, 和失业保险, 给66名员工 (72.5%) 缴交工伤保险。备注: 工厂给所有员工购买了商业意外险, 有效期从2023年6月21日至2024年6月20日。 Periodic audit conducted on 12/Sept/2024: Open Not all workers were provided with social insurance. There were total 98 employees hired at the factory during audit date. 17 employees were retire hired to work again, no employee was new hired and one worker resigned since Aug, 2024. So the factory should provide social insurance for 82 workers in Aug, 2024. The factory provided social insurance receipts from Sept, 2023 to Aug, 2024 for review, as per the social insurance receipts in Aug, 2024 and management review, the factory provided retirement, work-related injury and unemployment insurance for 77 workers (93.9%), and provided medical & child-bearing insurance for 79 workers (96.3%). 不是所有人都缴纳了社保。工厂共有98名员工, 17名退休返聘员工, 2024年8月无新入职员工, 有1名离职员工。因此工厂应在2024年8月给82名员工缴交社保。工厂提供了2023年9月-2024年8月的社保缴费记录, 根据管理层访谈及2024年8月的缴费记录, 工厂给77名员工 (93.9%) 缴交养老保险, 工伤保险和失业保险, 给79名员工 (96.3%) 缴交医疗和生育保险。</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	The factory should purchase social insurance for all workers according to the law.工厂应按法规要求给所有员工缴纳社保。	

Non-Compliance	Evidence																										
[Back to findings summary]																											
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600626170</td> </tr> <tr> <td>Clause</td> <td>6 - Working hours are not excessive</td> </tr> <tr> <td>Issue Title</td> <td>480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive</td> </tr> <tr> <td>Subcategory</td> <td>Overtime</td> </tr> <tr> <td>New or carried over?</td> <td> <input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over </td> </tr> <tr> <td>Raised by audit</td> <td>ZAA415379599</td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td> PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours. </td> </tr> <tr> <td>ETI code</td> <td>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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td> Based on attendance records from May 2020 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except February 2021. Three sampled months of April 2021 (current paid month), November 2020 and August 2020 were randomly selected. It was found that 10 out of 10 workers' overtime was 76 hours in April 2021, 10 out of 10 workers' overtime was 74 hours in November 2020 and 10 out of 10 workers' overtime was 82 hours in August 2020. 根据2020年5月1日到审核当天的考勤记录,所有工人的月加班时间除了2021年2月,均超过了法律规定的36小时。抽样的三个月2021年4月,2020年11月和2020年8月中,显示抽样的10名员工的月加班在2021年4月为76小时,抽样的10名员工的月加班在2020年11月为74小时,抽样的10名员工的月加班在2020年8月为82小时。Periodic audit conducted on 14/Sept/2023: Based on </td> </tr> </tbody> </table>		Non-Compliance		Status	OPEN	Reference	ZAF600626170	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 type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	Raised by audit	ZAA415379599	Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.	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	Based on attendance records from May 2020 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except February 2021. Three sampled months of April 2021 (current paid month), November 2020 and August 2020 were randomly selected. It was found that 10 out of 10 workers' overtime was 76 hours in April 2021, 10 out of 10 workers' overtime was 74 hours in November 2020 and 10 out of 10 workers' overtime was 82 hours in August 2020. 根据2020年5月1日到审核当天的考勤记录,所有工人的月加班时间除了2021年2月,均超过了法律规定的36小时。抽样的三个月2021年4月,2020年11月和2020年8月中,显示抽样的10名员工的月加班在2021年4月为76小时,抽样的10名员工的月加班在2020年11月为74小时,抽样的10名员工的月加班在2020年8月为82小时。Periodic audit conducted on 14/Sept/2023: Based on
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Status	OPEN																										
Reference	ZAF600626170																										
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 type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over																										
Raised by audit	ZAA415379599																										
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input checked="" type="checkbox"/> Lack of workers <input type="checkbox"/> Other																										
Root cause - Other																											
Local law issue	PRC Labour Law, Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.																										
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	Based on attendance records from May 2020 to audit day review, it was found that all workers' overtime hours exceeded 36 hours per month except February 2021. Three sampled months of April 2021 (current paid month), November 2020 and August 2020 were randomly selected. It was found that 10 out of 10 workers' overtime was 76 hours in April 2021, 10 out of 10 workers' overtime was 74 hours in November 2020 and 10 out of 10 workers' overtime was 82 hours in August 2020. 根据2020年5月1日到审核当天的考勤记录,所有工人的月加班时间除了2021年2月,均超过了法律规定的36小时。抽样的三个月2021年4月,2020年11月和2020年8月中,显示抽样的10名员工的月加班在2021年4月为76小时,抽样的10名员工的月加班在2020年11月为74小时,抽样的10名员工的月加班在2020年8月为82小时。Periodic audit conducted on 14/Sept/2023: Based on																										
	<p>The worker's monthly OT exceeded 36hours..jpg</p>																										

	<p>attendance records from 1 Aug, 2022 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in most months. Three sampled months e. g. Dec, 2022 (random month), Apr, 2023 (random month) and Jul, 2023 (current paid month) were randomly selected, and it was found that 10 out of 10 workers' monthly overtime hours had exceeded 36hours in the three sampled months, and up to 84hours, 78hours & 82hours in Dec, 2022, Apr, 2023 & Jul, 2023 respectively. 根据工厂提供的2022年8月1日至审核当日的考勤记录, 发现员工在大部分月份的月加班时间超出36小时。随机抽样的三个月, 即:2022年12月(随机月), 2023年4月(随机月)和2023年7月(当前月), 显示10名抽样员工的月加班超出36小时, 在2022年12月, 2023年4月和2023年7月分别达到84小时, 78小时和82小时。</p> <p>Periodic audit conducted on 12/Sept/2024: Open Based on attendance records from 1 Aug, 2023 to audit day review, it was found that workers' monthly overtime hours exceeded 36 hours in most months. Three sampled months e. g. Dec, 2023 (random month), May, 2024 (random month) and Jul, 2024 (current paid month) were randomly selected, and it was found that 10 out of 10 workers' monthly overtime hours had exceeded 36hours, and up to 82 hours, 76 hours and 78 hours in Dec, 2023, May, 2024 and Jul, 2024 respectively. 根据工厂提供的2023年8月1日至审核当日的考勤记录, 发现员工在2023年8月至审核当日的大部分月份的月加班时间均超出36小时。随机抽样的三个月, 即:2023年12月(随机月), 2024年5月(随机月)和2024年7月(当前月), 显示10名抽样员工在2023年12月, 2024年5月, 2024年7月的月加班超出36小时, 分别达到82小时, 76小时和78小时。</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>The factory should reduce the overtime to ensure the monthly overtime hours within 36 hours per month. 工厂应该减少加班确保月加班工时在36小时以内。</p>	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600626171	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	338 - No / inadequate health checks for kitchen personnel	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over	
Raised by audit	ZAA600025236	
Resolved by audit	ZAA600089001	
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	Food Safety Law of the People's Republic of China (2021 Amendment), Article 45 A food producer or trader shall establish and implement a health management system for employees. Persons suffering from any disease that may jeopardize food safety as specified by the health administrative department of the State Council may not engage in work involving contact with ready-to-eat food. Food production and trade employees who engage in work involving contact with ready-to-eat food shall take a medical examination every year and may not hold their positions unless a health certificate is obtained.	
ETI code	3.3 - Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.	
Explanation to the non compliance	Based on documents review, 1 out of 2 kitchen staffs' health certificate had expired in Apr, 2022. Periodic audit conducted on 12/Sept/2024: Closed Based on documents review, the two kitchen staff's certificates were both valid, and valid date was since 12 Aug, 2024 to 11 Aug, 2025. 根据文件审核，两名厨工的健康证均在有效期内，有效期均为2024年8月12日至2025年8月11日。	The kitchen staff's health certificates were valid..JPG
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	The factory should ensure the kitchen staffs health certificates are valid. 工厂应确保所有厨工的健康证有效。	
Additional comments	工厂厨师已经到当地有资质的机构进行了健康检查，预计于2023年11月17日相关证件会寄到我司 Periodic audit conducted on 12/Sept/2024: Closed Based on documents review, the two kitchen staff's certificates were both valid, and valid date was since 12 Aug, 2024 to 11 Aug, 2025. 根据文件审核，两名厨工的健康证均在有效期内，有效期均为2024年8月12日至2025年8月11日。	

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:	Winnie Li	APSCA Number:	32200219
Additional Auditors:			
Date of declaration:	2024-09-12		

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:	Ms. Wu Hongying
Title:	Admin Director
Date of declaration:	2024-09-12
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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http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

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