

SMETA Corrective Action Plan Report (CAPR)

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	Xiamen Goldenway Garments & Bags Co., Ltd.	
Site country:	China	
Site name:	Xiamen Goldenway Garments & Bags Co., Ltd.	
Parent Company name (of the site):	N/A	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	22 th April, 2015	

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers, and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents:
Please check appropriate SMETA Audit Type in the above box:
2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - Management systems and code implementation,
 - Entitlement to Work and Immigration,
 - Sub-Contracting and Home working4-Pillar SMETA Audit
 - 2-Pillar requirements plus
 - Additional Pillar assessment of Environment
 - Additional Pillar assessment of Business EthicsThe new ETI Working Hours Clause
 - Now integrated into this latest SMETA version.

Where appropriate non-compliances were raised against the ETI code / SMETA Additions and local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.





Audit Company Name: Intertek	Report Owner (payee): Cohen and Wilks International Ltd
<i>Sedex Company Reference:</i> <i>(only available on Sedex System)</i>	S: Not supplied
<i>Sedex Site Reference:</i> <i>(only available on Sedex System)</i>	P: Not supplied

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

<i>Auditor Reference Number:</i> <i>(If applicable)</i>	Not applicable
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Audit Details

Audit Details			
A: Report #:	FUZ-16647-01		
B: Time in and time out <i>(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)</i>	Day 1 Time in: 08:40 Day 1 Time out: 16:40	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
C: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	1 manday (One auditor in one day)		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If No , why not? <i>(Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)</i>	The facility had only just started the SAQ and so did not make it available to the auditor.		
G; Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A If Yes , please capture detail in appropriate audit by clause N/A, The facility did not provided SAQ during the on-site audit.		
H: Auditor name(s) and role(s):	Mr Vincent Lin (Lead Auditor and interviewer)		
I: Report written by:	Mr Vincent Lin		
J: Report reviewed by:	Ms. Hebe Huang		
K: Report issue date:	29 April 2015		
L: Supplier name:	Cohen and Wilks International Ltd		
M: Site name:	Xiamen Goldenway Garments & Bags Co., Ltd.		
N: Site country:	China		
O: Site contact and job title:	Ms. Allen Pan / General Manager		
P: Site address:	No.11, Shishan North Road, Dongfu Industrial Park, Haicang District,		

(Please include full address)	Xiamen City, Fujian Province, China			
Site phone:	86-592-6365100			
Site fax:	86-592-6024885			
Site e-mail:	allen@XiamenGoldenway.com			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Business license No: 350205100000770 Valid from 05 June 2003 to 04 June 2053			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Bags and Garment			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Ms. Allen Pan /General Manager			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Ms. Allen Pan /General Manager Mr. Liu Youwei / Assistant Manager Mr. Du Fanxin / Production Manager Mr. Vincent Lin /Lead Auditor and interviewer			
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) : <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	Nil			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define: N/A			

Guidance:

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Note: it is not mandatory to complete this column at this time.

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

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

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
3.1	New	In accordance with Law of the PRC on Work Safety article 33, The design, manufacture, installation, application, inspection, maintenance, repair of and safety facilities shall comply with the national or industrial standards. Manufacturing units shall maintain and inspect the safety facilities regularly to ensure they are in good working conditions. Maintenance and inspection records should be properly maintained and assigned to relevant staff. Machines with incomplete protective devices. During facility tour, auditor found that incomplete safety guard was installed for 4 out of 20 sewing machines in sewing workshop on the 3F of one 5-storey	Site policy was not being followed.	The facility would provide complete safety guard to all machines in sewing workshop and train the employees to maintain it. Give documented training to department personnel to ensure site policy is being followed.	30 days	Desktop	Ms. Allen Pan / General Manager	Upload copies of machine maintain training record and photos of relevant complete safety guard to Sedex showing that sewing machines have been provided complete safety guard.	Open

		production building.							
3.2	New	<p>In accordance with Regulations on Safety Supervision of Special Appliance article 38, the operator of special appliances (mentioned in Article 2, such as boiler, compressing equipment, lift, lifting appliance, Operators and managers of special vehicles in the factory (onsite) shall undergo relevant examination and qualifications to obtain special appliances certificate from the Special Appliance Quality Safety Monitoring department before operating those appliances.</p> <p>No certificate for special appliance operator. During facility tour, auditor found that there was 4 cargo lifts in the facility for goods transferring and loading, however the facility could not provide the cargo lift security administrator certificate for review.</p>	Site policy was not being followed.	<p>The facility would obtain relevant certificates according to legal requirement and train the employees to maintain it.</p> <p>Give documented training to department personnel to ensure site policy is being followed.</p>	90 days	Desktop	Ms. Allen Pan / General Manager	Upload copies of special appliance operator training record and photos of relevant certificates to Sedex showing that relevant certificates have been obtained.	Open

6.1	New	<p>In accordance with the 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.</p> <p>Overtime hours exceeded the legal requirement. Through document review, auditor found that the monthly overtime hours of 10 out of 10 randomly selected employees were 48 hours in August 2014 (Peak month).</p>	Urgent shipping date	<p>The facility would arrange overtime reasonably and reduce the overtime hours to ensure it is within 36 hours per month.</p> <p>To provided the training to the admin and HR department employees.</p>	60 days	Follow Up	Ms. Allen Pan / General Manager	Signed off by follow up audit.	Open
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Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
Nil	Nil	None observed	Nil	Nil

Good examples

Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
Not Applicable	None observed	Not applicable.

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:	Allen Pan	Title: General Manager Date: 22 th April, 2015
B: Auditor Signature:	Vincent Lin	Title: Auditor Date: 22 th April, 2015
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: Nil		
E: Signed: (If any entry in box D, please complete a signature on this line)	Allen Pan	Title: General Manager Date: 22 th April, 2015
F: Any other site Comments: 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.

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

Click here for A & AB members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Ing5lw_3d_3d

Click here for B members:

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

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non conformance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



For more information on Sedex please go to www.sedexglobal.com
or email helpdesk@sedexglobal.com
