



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>	ZC5000034341	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000040172	
Business name (Company name):	TIANCHANG HAOTIAN HATS AND GARMENT ACCESSORY CO LTD			
Site name:	TIANCHANG HAOTIAN HATS AND GARMENT ACCESSORY CO LTD			
Site address:	Shiliang Town, Tianchang City, Anhui province 安徽省天长市石梁镇 Tianchang City/Shiliang Town 239322 CN	Country:	CN	
Site contact and job title:	Mr.Junheng Gu / GM			
Site phone:	0550-7713988	Site e-mail:	1019739619@qq.com	
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:	2024-07-08			

Audit Company Name:
Bureau Veritas Certification

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		Day 2		
	In	09:00	In	08:30	
	Out	17:30	Out	12:30	
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	Mr.Junheng Gu / GM				
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
Reason for absence at the opening meeting	No labor union established in the site.		
Reason for absence during the audit	No labor union established in the site.		
Reason for absence at the closing meeting	No labor union established in the site.		

Summary of Findings


Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	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	§1 §2	2	0	0	NC - 630698c2-e254-487f-880b-178abf88fb20 NC - b11e38a6-8407-47b5-a0da-608ace75c079
<u>5 - Living wages are paid</u>	5.1	§3	1	0	0	NC - cbdebca4-f19e-4bd9-a155-d0d5b077e72f
<u>6 - Working hours are not excessive</u>	6.1	§4	1	0	0	NC - 60cc7cfd-b17b-43ce-abad-22217e224e00
<u>10B4 - Environment 4-pillar</u>	10.B4.4		1	0	0	NC - 5cbd7a35-b06a-42e9-9935-49941efacaac

Local Law Issues


Issue	Description
§1	In accordance with <General Rules for Designing the Production Facilities (GB5083-1999)>, Article 6.1.2 Set necessary safety devices to the movable spare parts maybe touched during the operation. Article 6.1.6 With the surface where work point located as reference, if transmission strap, rotor shaft, transmission chain, coupling Member, belt wheel, gearwheel, fly wheel, chain wheel and electric saw expose to danger, set the safety device as a must. GB5083-1999 《生产设备安全卫生设计总则》 第6.1.2条 对操作过程中可能接触的可移动备件设置必要的安全装置。 第6.1.6条 以工作点所在的表面为参照，如果传动带、转子轴、传动链、联轴器、皮带轮、齿轮、飞轮、链轮和电锯暴露在危险之中，必须设置安全装置。
§2	In accordance with <General Guide for Safety of Electric User (GB/T 13869-2017)>: 5.1.2 The electric circuits of electrical products must have adequate insulating strength, mechanical strength and conductivity, and the installation of electric circuits shall be in compliance with the regulation of relevant electrical product standard. GBT 13869-2008 用电安全导则 5.1.2电气线路应具有足够的绝缘强度、机械强度和导电能力，其安装应符合相应产品标准的规定。
§3	In accordance with <Labor Law of the People's Republic of China>, Article 72, The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step.The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. 中华人民共和国劳动法(2018修正),第七十二条:社会保险基金按照保险类型确定资金来源，逐步实行社会统筹.用人单位和劳动者必须依法参加社会保险，缴纳社会保险费。

§4	<p>In accordance with <Labor Law of the People's Republic of China>, Article 41, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.</p> <p>中华人民共和国劳动法(2018修正).第四十一条: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																													
[Back to findings summary]																															
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Actions	It is recommended that the site conduct regular machine inspection and to install needle guards for all sewing machines. 建议现场定期进行机器检查,并为缝纫机安装防针罩.	

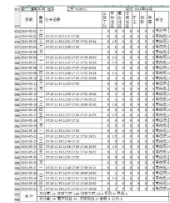
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SMETA Declaration

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:	Chuangen Wang	APSCA Number:	21702787
Additional Auditors:			
Date of declaration:	2024-07-09		

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:	Mr.Junheng Gu
Title:	GM
Date of declaration:	2024-07-09
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): 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). 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>	

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

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

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

[Click here for Auditors:](#)

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