




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1039179	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1051500
Business name (Company name):	Kingtex View., Ltd.		
Site name:	Guangzhou Panyu Shawan Dongxian Stainless Steel Manufactory (广州市番禺区沙湾东贤五金不锈钢制品厂)		
Site address: <i>(Please include full address)</i>	DaWei Industrial Area, Guba West Village, Shawan Town, Panyu District, Guangzhou City, Guangdong Province, China (中国广东省广州市番禺区沙湾镇古坝西村大围工业区)	Country:	China
Site contact and job title:	Mr. Qingzong Zeng / Management Representative		
Site phone:	86-20-34834885	Site e-mail:	155230972@qq.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2 nd June 2021		

Audit Company Name & Logo: 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> Guangzhou Panyu Shawan Dongxian Stainless Steel Manufactory
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

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

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Katrina Cheung (RA 21700304)/Social auditor

Team auditor: Peter Liu (CSCA 21700629)/Social auditor

Interviewers: Katrina Cheung (RA2 1700304), Peter Liu (CSCA 2170062)/ Social auditor

Report writer: Katrina Cheung (RA 21700304)/Social auditor

Report reviewer: Helen Deng

Date of declaration: 2nd June 2021

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8:45 Day 1 Time out: 16:00	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1.5 man-days (2 auditors in 1 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: the facility did not finish the SAQ.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A, no SAQ was available for review.		
G: Who signed and agreed CAPR (Name and job title)	Mr. Qingzong Zeng / Management Representative		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	2nd June 2020		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A. Worker representative was presented.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no union in the facility.		

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).

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>
NC 1 3 Safety and Hygienic Conditions - 1	Carried over	No pre job and post job occupational health examination was provided to employees engaged in post with occupational disease hazards. During document review, auditor found that no pre job and post job occupational health examination report which required by law for employees was provided for review. 企业没有为从事职业性危害作业的员工提供岗前和岗后职业健康检查。通过文件审核，审核员发现企业未能提供员工按法规要求的岗前和岗后职业健康检查报告供审核员审阅。	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: site policy was not followed	Corrective action: The facility would provide occupational health examination to the relevant employees who work with occupational hazards according to legal requirements. Preventative action: Provide training to the employee responsible for document control and check the required document timely	30 days	Desktop	Yes / Mr. Qingzong Zeng / Management Representative		
NC 2 3 Safety and Hygienic Conditions - 2	New	Lack of label attached to chemical containers. During the on-site observation, auditor found no label was attached to one barrel of drawing oil located at chemical warehouse. 现场发现化学品仓库的 1 桶拉伸油，没有张贴化学品标签。	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: The site policy was not followed.	Corrective action: The facility would strengthen its chemical management for safety storage / usage purpose. Preventative action: To provide training to relevant persons to implement such requirement.	30 days	desktop	Yes / Mr. Qingzong Zeng / Management Representative		

<p>NC 3 3 Safety and Hygienic Conditions - 3</p>	<p>Carried over</p>	<p>Employee did not wear personal protective equipment (PPE). During facility tour, auditor found that 1 out of 2 employees working in moulding workshop did not wear the provided protective shoes which were provided by facility.</p> <p>员工未按要求佩戴劳动防护用品。在现场巡查时，审核员发现在模具车间 2 名工中有 1 名员工没有佩戴企业提供的劳保鞋。</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: The site policy was not followed</p>	<p>Corrective action: require employees to wear personal protective equipment immediately.</p> <p>Preventative action: Provide PPE use training to relevant employees to enhance their safety awareness.</p>	<p>30 days</p>	<p>Desktop</p>	<p>Yes/Ms. Aili Liu / Financial Supervisor</p>		
<p>NC 4 5 Living Wages and Benefits - 1</p>	<p>Carried over</p>	<p>Insufficient social insurance participated. Through document review, auditor found that a total of 93 employees were currently working in the facility. As per the social insurance receipts of May 2021, only 49 employees had participated in employment injury insurance, basic endowment insurance, unemployment insurance, basic medical insurance and maternity insurance.</p> <p>Remark: The facility had purchased business injury insurance for all employees. The effective date was from 31st July 2020 to 30th July 2021.</p> <p>社会保险参保不足。通过 2021 年 5 月的社保收据，审核员发现企业的 93 个员工中，有 49 人参加了养老保险，工伤保险，医疗保险，生育保险以及失业保险。</p> <p>备注：企业为所有人购买了人的商业意外险，有效期为 2020 年 7 月 31 日到 2021 年 7 月 30 日。</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: The employees were not willing to purchase social insurance</p>	<p>Corrective action: The facility would increase the participant number of social insurance step by step.</p> <p>Preventative action: Train the employees on the awareness of social insurance, ensure all employees participate social insurance with one year.</p>	<p>120 days</p>	<p>Desktop</p>	<p>Yes / Mr. Qingzong Zeng / Management Representative</p>		
<p>NC 5 6 Working Hours - 1</p>	<p>Carried over</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 38 hours in March 2021 (current month), 10 out of 10 randomly selected employees were 46 hours in December 2020 (random month), 10 out of 10 randomly selected</p>	<p><input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>Corrective action: The facility would reduce the overtime hours to ensure it is within 36 hours per month.</p> <p>Preventative action: Recruit more employees and arrange production properly.</p>	<p>60 Days</p>	<p>Follow up</p>	<p>Yes / Mr. Qingzong Zeng / Management Representative</p>		

		<p>employees were 42 hours in October 2020 (random month).</p> <p>加班时间超过法规要求。通过文件审核，审核员发现在抽取的，2021年4月份（当前月）的考勤中，10名随机抽取的员工中10人的月加班时间为38小时，2020年12月份（随即月）的考勤中，10名随机抽取的员工中10人的月加班时间为46小时，2020年10月份（随即月）的考勤中，10名随机抽取的员工中10人的月加班时间为42小时。</p>							
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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>
OB 1 10B4 Environment 4-Pillar-1	New	<p>The facility did not complete the environment section of SAQ and provide it for review.</p> <p>企业没有提供其 SMETA 平台环保章节的自我评估表供审核员查看。</p>	The facility did not aware this requirement.	No comment from facility.

Good examples

Good example Number <i>The reference number of the good example from the Audit Report,</i>	Details of good example noted	Any relevant Evidence and Comments

for example, Discrimination No.7		
N/A	None observed	N/A

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:	Mr. Qingzong Zeng	Title: Management Representative Date: 2nd June 2021
B: Auditor Signature:	Katrina Cheung (RA 21700304) Peter Liu (CSCA 21700629)	Title: Auditor Date: 2nd June 2021
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: None		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)	Mr. Qingzong Zeng	Title: Management Representative Date: 2nd June 2021
F: Any other site Comments: None		

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

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

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a "root cause"

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

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

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

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

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