SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	ZC: 402519233	Sedex Site Reference: *(only available on Sedex System)*	ZS: 402874001
Business name (Company name):	Feihong Five Metals Wares Co., Ltd		
Site name:	Feihong Five Metals Wares Co., Ltd 石狮市飞鸿五金饰品有限公司		
Site address: *(Please include full address)*	Longshan Industrial Zone, Qianpu Village, Yongning Town, Shishi City, Fujian Province, China 福建省石狮市永宁镇前埔龙山开发区	Country:	China
Site contact and job title:	Mr. Wang Rongliang/Admin Supervisor		
Site phone:	86-595-88602628	Site e–mail:	wrl@feihongwujin.com
SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar ☒ Business Ethics
Date of Audit:	November 18, 2022		

Audit Company Name & Logo:	**Report Owner (payer):**
Bureau Veritas CPS	*(If paid for by the customer of the site please remove for Sedex upload)*

Audit Conducted By					
Affiliate Audit Company	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi–stakeholder	☐	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):
This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements.
The audit type in Sedex Advance is Initial audit but not periodic audit as mentioned in the audit report because the site did not published previous SMETA audit report in Sedex through BV CPS.

Auditor Team (s) (please list all including all interviewers):
Lead auditor: Lincoln Wu
Team auditor: Sherry Jiang, Will Cao
Interviewers: Lincoln Wu, Sherry Jiang, Will Cao

Report writer: Lincoln Wu
Report reviewer: Sophia Wang

Date of declaration: 2022/11/18

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: 9:00 Day 1 Time out: 17:00	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	3 auditors X 1 day		
C: Audit type:	☐ Full Initial ☒ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other If other, please define:		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR *(Name and job title)*	Mr. Wang Rongliang / Admin Supervisor		
H: Is further information available *(if yes, please contact audit company for details)*	☐ Yes ☒ No		
I: Previous audit date:	2021/11/30		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	☒ Yes ☐ No ☐ N/A		

Audit attendance	**Management**	**Worker Representatives**	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No

C: Present at the closing meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	N/A.		
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	No union in the factory.		

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)

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 *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**New or Carried Over** *Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding*	**Details of Non-Compliance** *Details of Non-Compliance*	**Root cause** *(completed by the site)*	**Preventative and Corrective Actions** *Details of actions to be taken to clear non-compliance, and the system change to prevent re- occurrence (agreed between site and auditor)*	***Timescale*** *(Immediate, 30, 60, 90,180,365)*	**Verification Method** *Desktop / Follow-Up [D/F]*	**Agreed by Management and Name of Responsible Person:** *Note if management agree to the non-compliance, and document name of responsible person*	**Verification Evidence and Comments** *Details on corrective action evidence*	**Status** *Open/ Closed or comment*
Safety and Hygienic Conditions No.1	Carried Over	审核发现工厂车间正在使用的 50%的化学品（额 e.g. 天那水，油漆等）的容器没有张贴安全标签。 It was noted that about 50% hazardous chemical (e.g. Thinner and paints) being used in lasting workshops were not posted with safety labels.	☒ Training ☐ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议所有在工厂内储存和使用的危险化学品都有张贴安全标签, 标签的内容要完整。 It is recommended that management adopt practices and controls to ensure that all hazardous chemicals stored or being used in the factory is posted with safety labels.	30	D	Mr. Wang Rongliang / Admin Supervisor		
Safety and Hygienic Conditions No.2	Carried Over	审核发现工厂上色车间里 10/25 名接触化学品的员工没有佩戴工厂提供的手套，且 3/25 名员工佩戴的是防尘口罩而不是活性炭口罩。打磨车间里 2/15 打磨员工没有佩戴工厂提供的耳塞。	☒ Training ☐ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议工厂为相关的员工提供必要的个人防护用品，并确保他们正确佩戴。 It is recommended that management adopt practices and controls to ensure that necessary personal protective equipment are provided to	30	D	Mr. Wang Rongliang / Admin Supervisor		

		It was noted that there was 10 out of 25 employee who contact with chemicals in coloring workshop were not wear gloves provided by factory and 3 out 25 employees were wore anti-dust mask instead of active carbon mask. 2 out of 15 polishing workers working in polishing workshop were not wore earplugs provided by factory.		relevant employees and measures are taken to ensure that employees use such personal protective equipment appropriately.					
Safety and Hygienic Conditions No.3	Carried Over	审核发现危险化学品仓库和调油房里的出口标志和应急灯不是防爆的设备，仓库内存有挥发性的易燃易爆物料(如油墨)。 It was noted that electrical devices including exit sign and emergency light in the hazardous chemical warehouse and paint mixing room were not explosive-proofed, there were inflammable and explosive chemical with volatileness stored in the warehouse (e.g. paints).	☒ Training ☐ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议工厂确保安装在存有挥发性易燃易爆物料的危险化学品仓库里的电器都是防爆的设备。 It is recommended that management adopt practices and controls to ensure that lights, switches, and exhaust fans (if other specific electrical devices, it shall be listed clearly) in the hazardous chemical warehouse stored inflammable and explosive chemical with volatileness are explosive-proofed.	30	D	Mr. Wang Rongliang / Admin Supervisor		
Safety and Hygienic	New	审核发现工厂筛选车间的 1/3 台筛选机的开关箱没有安装警示标志。	☒ Training ☐ Systems ☐ Costs	建议工厂对工厂所有的接线箱/开关箱安装警示标志。	30	D	Mr. Wang Rongliang / Admin Supervisor		

Conditions No.4		It was noted that no warning sign was marked on electricity switch box of 1 out of 3 selection machines in the selection department.	☐ lack of workers ☐ Other – please give details:	It is recommended that management adopt practices and controls to ensure that all electricity devices and circuit in the cutting department / in the factory are marked to avoid electric shock.					
Safety and Hygienic Conditions No.5	New	审核发现厨工在制造食物过程中没有穿戴清洁的工作服和帽子。 It was noted that the canteen staff did not wear clean work cloth or headwear when producing food.	☒ Training ☐ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议工厂为厨工提供清洁的工作服和帽子，并确保他们在制造食物的过程中有穿戴好。 It is recommended that management adopt practices and controls to ensure that clean work clothes and headwear are provided to each canteen personnel.	60	D	Mr. Wang Rongliang / Admin Supervisor		
Living Wages and Benefits No.1	Carried Over	审核发现工厂的社会保险覆盖不足。根据厂方提供的 2022 年 10 月的社保收据显示，工厂仅为 53/147 名员工提供养老、失业、医疗和生育保险。为 79/147 名员工提供工伤保险。另外，工厂为 11 名员工购买了商业意外保险，有效期从 2022 年 2 月 17 日至 2023 年 2 月 16 日。 It was noted that the factory's social insurance coverage was insufficient. According to the social insurance payment receipt in October 2022 provided by factory	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议工厂为所有员工提供社保。 It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements.	60	D	Mr. Wang Rongliang / Admin Supervisor		

		management, it was noted that only 53 out of 147 employees were provided with pension, unemployment, medical, and maternity insurance. only 79 out of 147 employees were provided with accident insurance, In addition, the factory purchased a commercial accident insurance for 11 employees with valid periods from Feb 17, 2022 to Feb 16, 2023.							
Working Hours No.1	Carried Over	根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。 审核员从厂方提供的工资记录中工抽取 78 个样本(其中从 2022 年 1 月抽取 26 个，从 2022 年 7 月抽取 26 个，从最近工资发放月份 2022 年 10 月抽取 26 个)，发现有员工加班时间超出了法定标准，具体为： 26/26 名员工在 2022 年 1 月的加班时间为 49.5 小时，超过每月加班时间不能超过 36 小时的法律规定; 26/26 名员工在 2022 年 7 月的加班时间为 60 小时，超过每月加班时间不能超过 36 小时的法律规定;	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	建议工厂确保员工的加班时间符合法律要求。 It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits.	60	F	Mr. Wang Rongliang / Admin Supervisor		

		26/26 名员工在 2022 年 10 月的加班时间为 50 小时，超过每月加班时间不能超过 36 小时的法律规定。 It was noted that sample population employees worked in excess of the statutory overtime hour limits. A review of 78 sampled employees' time records (26 samples from January 2022, 26 samples from July 2022, 26 samples from the most current paid month October 2022) yielded the following: 26 out of 26 sampled employees worked in excess of 36 overtime hours per month (i.e. 49.5 hours) in Jan 2022, which was not in compliance with the legal requirement; 26 out of 26 sampled employees worked in excess of 36 overtime hours per month (i.e. 60 hours) in Jul 2022, which was not in compliance with the legal requirement; 26 out of 26 sampled employees worked in excess of 36 overtime hours per month (i.e. 50 hours) in Oct 2022, which was not in compliance with the legal requirement.							

Corrective Action Plan – Observations				
Observation Number *The reference number of the observation from the Audit Report, for example, Discrimination No.7*	**New or Carried Over** *Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding*	**Details of Observation** *Details of Observation*	**Root cause** *(completed by the site)*	**Any improvement actions discussed** *(Not uploaded on to SEDEX)*
Nil				

Good examples		
Good example Number *The reference number of the good example from the Audit Report, for example, Discrimination No.7*	**Details of good example noted**	**Any relevant Evidence and Comments**
Nil		

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) *If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.*		
A: Site Representative Signature:	Mr. Wang Rongliang	Title Admin Supervisor Date 2022/11/18
B: Auditor Signature:	Lincoln Wu, Sherry Jiang, Will Cao	Title Auditor Date 2022/11/18
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 <u>any</u> entry in box D, please complete a signature on this line)*	Nil	Title Date
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.

For more information visit: 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=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

Click here for Supplier (B) members:

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

Click here for Auditors:

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