




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 4081018	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 4101918
Business name (Company name):	TONGLU YINGNING KNITTING GARMENT FACTORY		
Site name:	TONGLU YINGNING KNITTING GARMENT FACTORY 桐庐盈宁服装厂		
Site address: <i>(Please include full address)</i>	Shuanghu Village, Hengcun Town, Tonglu County, Hangzhou City, Zhejiang Province, China 中国浙江省杭州市桐庐县 横村镇双湖村 Business License address : The same as above	Country:	China
Site contact and job title:	Mr. Yao Yongping/ Admin Manager		
Site phone:	18058807667	Site e-mail:	Huimei_512@126.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	March 01, 2022		

Audit Company Name & Logo: SGS-CSTC Standards Technical Services Co., Ltd. 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> TONGLU LANDFOND IMP & EXP CO., LTD
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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): Nil

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

Lead auditor: Esther Dai (CSCA21703632)

Team auditor: Nil

Interviewers: Esther Dai (CSCA21703632)

Report writer: Esther Dai (CSCA21703632)

Report reviewer: Sunny Zhong

Date of declaration: March 01, 2022

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: 9:05 AM Day 1 Time out: 17:05 PM	Day 2 Time in: Nil Day 2 Time out: Nil	Day 3 Time in: Nil Day 3 Time out: Nil
B: Number of auditor days used:	1MD (1 auditor in one 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 type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 3 weeks from Feb 22, 2022 to Mar 12, 2022. <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Yao Yongping/ Admin Manager		
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:	Jan 18, 2021		
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>	NA		
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 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 <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	New	It was noted that 30% electrical boxes were not installed insulation protective device, the electric circuit was exposed. 审核员发现工厂生产车间内有 30%的配电箱没有安装保护罩，电线裸露。	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that management adopt practices and controls to ensure that all electrical equipments are properly insulated to avoid hazard of electrical shock. 建议工厂对所有区域内的电线安装足够的保护装置，防止电线裸露。	30 Days	Desktop	Mr. Yao Yongping / Admin Manager		
NC 2 3 Safety and Hygienic Conditions--2	New	It was noted that the transmission belts of 10% sewing machines in the sewing workshop on the fourth floor were not equipped with pulley guards.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that management adopt practices and controls to ensure that all sewing machines are equipped with pulley guards.	30 Days	Desktop	Mr. Yao Yongping / Admin Manager		

		审核员发现工厂四楼缝制车间有 10%的缝纫机没有安装皮带轮保护罩。		建议工厂为所有的缝纫机安装皮带保护罩。					
NC 3 5 Living Wages and Benefits-1	Carried Over	<p>During the audit, the factory had 25 employees, 8 of whom had retired and 5 of whom were newly hired in February 2022. According to the factory's social security payment certificate for January 2022, the factory provided pension insurance, medical insurance, maternity insurance, unemployment insurance and work injury insurance to 7 (58%) employees.</p> <p>审核期间，工厂共有员工 25 人，其中 8 人已退休，5 人 2022 年 2 月新入职。根据工厂 2022 年 1 月份的社保缴费凭证显示，工厂给 7 (58%) 名员工提供了养老保险，医疗保险，生育保险，失业保险和工伤保险。</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: Management carelessness	<p>The factory shall provide social insurance to all employees.</p> <p>工厂应给所有员工提供社保。</p>	120 Days	Desktop	Mr. Yao Yongping / Admin Manager		
NC 4 6 Working Hours-1	Carried Over	Based on attendance records provided by the factory from 1 Feb 2021 to the audit day, The auditor sampled the payroll attendance records of 10 employees for the three months of August, November 2021, and January 2022 (the	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input checked="" type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>The factory shall ensure all workers' overtime in a month meet legal requirement.</p> <p>工人的月加班需符合法规要求。</p>	60 Days	Follow up	Mr. Yao Yongping / Admin Manager		

		<p>most recent month) and found that 10 employees worked 42 hours of overtime in August 2021, exceeding the regulatory limit of 36 hours per month.</p> <p>根据工厂提供的 2021 年 2 月 1 日至今的考勤，审核员抽取了 10 名员工 2021 年 8 月，11 月和 2022 年 1 月（最近月）三个月的工资考勤记录，发现有 10 名员工在 2021 年 8 月的月加班超过法规的 36 小时，达到 42 小时。</p>							
NC 5 10B2: Environment 2-Pillar-1	Carried Over	<p>Based on document review and management interview, factory didn't obtain EIA report and EIA approval.</p> <p>通过文件查看和管理层访谈，工厂未提供环评和批复。</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>The factory should obtain EIA report and EIA approval.</p> <p>工厂需提供环评和批复。</p>	30 Days	Desktop	Mr. Yao Yongping / Admin Manager		
Remark	<p>The audited factory rented one 3-storey (part was 4-storey) production building from TONGLU HUIMEI KNITTING CO., LTD used as workshop and office, during the audit, factory provided leasing agreement and business license for review, this audit just included these areas. 受审核方向桐庐绘美纺织有限公司租赁了一栋 3 层（局部 4 层）建筑作为生产和办公使用。审核期间，工厂提供了租赁协议和营业执照，本次审核仅包含租赁区域。</p>								

Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation</i>	New or Carried Over <i>Is this a new observation identified at the follow-up</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>
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from the Audit Report, for example, Discrimination No.7	or one carried over (C) that is still outstanding			
Nil	Nil	Nil	Nil	Nil

Good examples

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

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. Yao Yongping	Title Admin Manager Date March 01, 2022
B: Auditor Signature:	Esther Dai	Title Auditor Date March 01, 2022
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 Nil Date Nil
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](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>