



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 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).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1032118	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1058629	
Business name (Company name):	Guangdong Roule Electronics Co Ltd			
Site name:	Guangdong Roule Electronics Co Ltd			
Site address:	No. 12 Pingdong RD 3, Nanping Industry Community, Zhuhai City, China. zhuhai 519060 CN	Country:	CN	
Site contact and job title:	Mr. Wang Xingzhou / QC Manager			
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:	2023-04-25			

Audit Company Name:
ALGI China

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	08:00
	Out	17:00	Out	12:00
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. Wang Xingzhou / QC Manager			
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
<i>Reason for absence at the opening meeting</i>	There was no union at this factory.		
<i>Reason for absence during the audit</i>	There was no union at this factory.		
<i>Reason for absence at the closing meeting</i>	There was no union at this factory.		

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of Issues			Findings
	ETI	Local Law	NC	Obs	GE	
3 - Working conditions are safe and hygienic	3.1 3.4	§1 §2	2	0	1	NC - 9dc7c074-65ce-472e-a1f9-7fbc3ed66d0 NC - a861efc3-c886-46e6-8fff-c317dad01f23 GE - 4c7ba87b-2e7f-48fc-b2f3-62e319673ea7
6 - Working hours are not excessive	6.1	§3	1	0	0	NC - a70e9bb7-6c15-4845-87c9-8e32098c34de
0B - Management systems and code implementation			0	0	1	GE - cc676efa-1306-4e4d-b12e-031ecc5eed3f
10B4 - Environment 4-pillar			0	0	1	GE - a023cc28-7888-45c8-b3a3-959ea1146085

Local Law Issues

Issue	Description
§1	In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management: The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。
§2	In accordance with n accordance with 4.2.3 of code for design of dormitory building, the bedroom should have storage space, with a net storage space of 0.50-0.8 cubic meters per person. 根据《宿舍建筑设计规范》4.2.3：居室应有储藏空间，每人净储藏空间宜为0.50~0.8立方米
§3	In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed. 根据《中华人民共和国劳动法》第41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。

Corrective Action Plan - Non Compliances

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	9dc7c074-65ce-472e-a1f9-7fbc3ed66d0	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	327 - Storage of goods not in line with legal requirements (e.g. too high)	
Subcategory	Hygiene Facilities & Housekeeping	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 18 of Rules for Warehouse Fire Prevention Safety Management: The goods in warehouse should be classified for storage. The area occupied by any single stack should not be greater than 100 square meters. Space shall be at least 1 meter between stacks; Space shall be at least 0.5 meter between stacks and the wall; Space shall be at least 0.3 meter between stacks and beams or posts. The width of main passages shall be at least 2 meters. 根据《仓库防火安全管理规则》第18条：库存物品应当分类、分类储存，每垛占地面积不宜大于100平方米，垛与垛间距不小于1米，垛与墙间距不小于0.5米，垛与梁、柱的间距不小于0.3米，主要通道的宽度不小于2米。</p>	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that 5% finished goods at finished products warehouse on 2/F were stored against the walls, which was not in compliance with space between stack and wall at least 0.5 Meter. 2/F成品仓5%的货物靠着墙存放，不符合法规垛与墙间距至少0.5米。	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that management adopt practices	

	<p>and controls to ensure that the area occupied width of gap between stacks and walls are in accordance with the legal requirement. 建议管理层采取实践和控制措施，以确保垛和墙之间的间隙占用面积宽度符合法律要求。</p>	
--	--	--

Non-Compliance		Evidence																														
[Back to findings summary]																																
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>a861efc3-c886-46e6-8fff-c317dad01f23</td> </tr> <tr> <td>Clause</td> <td>3 - Working conditions are safe and hygienic</td> </tr> <tr> <td>Issue Title</td> <td>371 - Each individual does not have adequate and secure storage for personal possessions</td> </tr> <tr> <td>Subcategory</td> <td>Accommodation Living Conditions</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Root cause</td> <td> <input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>Local law issue</td> <td>In accordance with n accordance with 4.2.3 of code for design of dormitory building, the bedroom should have storage space, with a net storage space of 0.50-0.8 cubic meters per person. 根据《宿舍建筑设计规范》4.2.3：居室应有储藏空间，每人净储藏空间宜为0.50~0.8立方米</td> </tr> <tr> <td>ETI code</td> <td>3.4 - Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>There was no locker provided at 3 out of 30 dormitory room to keep personal belongings. 3/30间宿舍未提供储物柜用于保存私人的物品。</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other </td> </tr> <tr> <td>Actions</td> <td>It is recommended that management adopt practices and controls to ensure that all dormitory rooms had locker to keep personal belongings. 管理层采取实践和控制措施，确保所有宿舍房间都有储物柜来存放个人物品。</td> </tr> </tbody> </table>			Non-Compliance		Status	OPEN	Reference	a861efc3-c886-46e6-8fff-c317dad01f23	Clause	3 - Working conditions are safe and hygienic	Issue Title	371 - Each individual does not have adequate and secure storage for personal possessions	Subcategory	Accommodation Living Conditions	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		Local law issue	In accordance with n accordance with 4.2.3 of code for design of dormitory building, the bedroom should have storage space, with a net storage space of 0.50-0.8 cubic meters per person. 根据《宿舍建筑设计规范》4.2.3：居室应有储藏空间，每人净储藏空间宜为0.50~0.8立方米	ETI code	3.4 - Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.	Explanation to the non compliance	There was no locker provided at 3 out of 30 dormitory room to keep personal belongings. 3/30间宿舍未提供储物柜用于保存私人的物品。	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	It is recommended that management adopt practices and controls to ensure that all dormitory rooms had locker to keep personal belongings. 管理层采取实践和控制措施，确保所有宿舍房间都有储物柜来存放个人物品。
Non-Compliance																																
Status	OPEN																															
Reference	a861efc3-c886-46e6-8fff-c317dad01f23																															
Clause	3 - Working conditions are safe and hygienic																															
Issue Title	371 - Each individual does not have adequate and secure storage for personal possessions																															
Subcategory	Accommodation Living Conditions																															
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over																															
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other																															
Root cause - Other																																
Local law issue	In accordance with n accordance with 4.2.3 of code for design of dormitory building, the bedroom should have storage space, with a net storage space of 0.50-0.8 cubic meters per person. 根据《宿舍建筑设计规范》4.2.3：居室应有储藏空间，每人净储藏空间宜为0.50~0.8立方米																															
ETI code	3.4 - Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.																															
Explanation to the non compliance	There was no locker provided at 3 out of 30 dormitory room to keep personal belongings. 3/30间宿舍未提供储物柜用于保存私人的物品。																															
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit																															
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other																															
Actions	It is recommended that management adopt practices and controls to ensure that all dormitory rooms had locker to keep personal belongings. 管理层采取实践和控制措施，确保所有宿舍房间都有储物柜来存放个人物品。																															

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	a70e9bb7-6c15-4845-87c9-8e32098c34de	
Clause	6 - Working hours are not excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input checked="" type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with Article 41 of the Labor Law of the PRC, after consultation with the trade union and employees, the employer may extend working hours due to its production or business needs, but the extended working hours shall not generally exceed one hour a day; in special circumstances that require an extension of working hours, the extended working hours shall not exceed 3 hours a day and 36 hours a month on condition that the health of employees is guaranteed.</p> <p>根据《中华人民共和国劳动法》第41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>	
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	
Explanation to the non compliance	<p>It was noted that 26 out of 78 samples' working overtime was in excess of the statutory overtime hour limits. A review of 78 samples' working time records (26 samples from Feb. 2023(current), 26 samples from Oct. 2022(random), 26 samples from Jul. 2022 (random) yielded the following: 26 out of 26 sample population employees worked within 36 overtime hours per month (i.e. 36 hours) in Feb. 2023, which was in compliance with the legal requirement; 26 out of 26 sample population employees worked within 36 overtime hours per month (i.e.28 hours) in Oct. 2022, which was in compliance with the legal requirement; 26 out of 26 sample population employees worked in excess of 36 overtime hours per month (i.e. 46 hours) in Jul. 2022,</p>	

	<p>which was not in compliance with the legal requirement; 78个样本中有26个样本的加班时间超过了法定加班时间限制。对78个样本的工作时间记录进行了审查（2023年2月的26个样本（当前），2022年10月的26个样本（随机）和2022年7月的26张样本（随机）2023年2月，26名样本员工中有26人每月加班不超36小时（即36小时），符合法律要求；2022年10月，26名样本员工中有26人每月加班不超36小时（即28小时），符合法律要求；2022年7月，26名样本员工中有26人每月加班时间超过36小时（即46小时），不符合法律要求；</p>	
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	<p>It is recommended that factory management adopt practices and controls to ensure that employee overtime hours do not exceed the statutory limits. 建议管理层采取实践和控制措施减少加班，确保不超过法律规定。</p>	

Corrective Action Plan - Good Examples

Good Example		Evidence																		
[Back to findings summary]																				
<table border="1"> <thead> <tr> <th colspan="2">Good Example</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>cc676efa-1306-4e4d-b12e-031ecc5eed3f</td> </tr> <tr> <td>Clause</td> <td>0B - Management systems and code implementation</td> </tr> <tr> <td>Issue Title</td> <td>35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)</td> </tr> <tr> <td>Subcategory</td> <td>Site's licenses & Certifications</td> </tr> <tr> <td>New or carried over?</td> <td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td> </tr> <tr> <td>Explanation to the good example</td> <td>The factory had obtained the certificate: Certificate name: GB/T19001-2016/ISO9001:2015; Certificate No.:04921Q01161R1M; Valid period from 2021-07-12 to 2024-07-11.</td> </tr> <tr> <td>Evidence</td> <td>Certificate review and facility management interview</td> </tr> </tbody> </table>		Good Example		Status	OPEN	Reference	cc676efa-1306-4e4d-b12e-031ecc5eed3f	Clause	0B - Management systems and code implementation	Issue Title	35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)	Subcategory	Site's licenses & Certifications	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	The factory had obtained the certificate: Certificate name: GB/T19001-2016/ISO9001:2015; Certificate No.:04921Q01161R1M; Valid period from 2021-07-12 to 2024-07-11.	Evidence	Certificate review and facility management interview	
Good Example																				
Status	OPEN																			
Reference	cc676efa-1306-4e4d-b12e-031ecc5eed3f																			
Clause	0B - Management systems and code implementation																			
Issue Title	35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)																			
Subcategory	Site's licenses & Certifications																			
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over																			
Explanation to the good example	The factory had obtained the certificate: Certificate name: GB/T19001-2016/ISO9001:2015; Certificate No.:04921Q01161R1M; Valid period from 2021-07-12 to 2024-07-11.																			
Evidence	Certificate review and facility management interview																			

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	4c7ba87b-2e7f-48fc-b2f3-62e319673ea7	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	155 - Site has internationally recognised health and safety certification e.g. OHSAS 18000	
Subcategory	Health & Safety Management	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	The factory had obtained the certificate: Certificate name: GB/T45001-2020/ISO45001:2018; Certificate No.:04920S00597R1M; Valid period from 2020-09-11 to 2023-09-10.	
Evidence	Certificate review and facility management interview	

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	a023cc28-7888-45c8-b3a3-959ea1146085	
Clause	10B4 - Environment 4-pillar	
Issue Title	615 - The site has an internationally recognised environmental certificate e.g. ISO 14000	
Subcategory	General Environmental Permits, & Management systems	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	The factory had obtained the certificate: GB/T24001-2016/ISO14001:2015; Certificate No.:04921E00573R2M; Valid period from 2021-07-12 to 2024-07-11.	
Evidence	Certificate review and facility management interview	

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:	Susan Lee	APSCA Number:	21700947
Additional Auditors:	Alex Dai		
Date of declaration:	2023-04-26		

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. Wang Xingzhou
Title:	QC Manager
Date of declaration:	2023-04-26
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>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).</i> <i>The audit took 2.0 man-days (9 AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
The facility had no comment.	

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

[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>