




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZS403726849	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZC403577970
Business name (Company name):	Springair Ace Co., Ltd.		
Site name:	Springair Ace Co., Ltd.		
Site address: <i>(Please include full address)</i>	Plot No.97&98, 8 th Road, Yangon Industrial Zone, North Okkalapa Township, Yangon	Country:	Myanmar
Site contact and job title:	Mr. Wei Liang - Director		
Site phone:	(+95) 9975615082	Site e-mail:	weiliang@springair-textile.com
SMETA Audit Type Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	3 – 6 June 2019		

Audit Company Name & Logo:  APSCA no. 11600004	Report Owner (payee): Springair Ace Co., Ltd.
--	---

Audit Conducted By					
Commercial	<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 6.0 April 2017 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:	Masaras (RA21703311)	Phoemphatthan
Team auditor:	Not applicable	
Interviewers:	Masaras (RA21703311)	Phoemphatthan
Report writer:	Sai Woon Kyio – Myanmar Interpreter	
	Masaras (RA21703311)	Phoemphatthan
Report reviewer:	Not applicable	
Audit Company Report Reference:	THA-5153-01	
Date of declaration:	3 – 6 June 2019	

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: 08.30 AM Day 1 Time out: 05.00 PM	Day 1 Time in: 08.30 AM Day 1 Time out: 05.00 PM	Day 1 Time in: 08.30 AM Day 1 Time out: 05.00 PM	Day 1 Time in: 08.30 AM Day 1 Time out: 05.00 PM
B: Number of auditor days used:	One (1) auditor in four (4) days			
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define: Not applicable			
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not Not applicable			
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 Not applicable			
G: Who signed and agreed CAPR (Name and job title)	Mr. Wei Liang - Director			
H: Is further information available (if yes, please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
I: Previous audit date:	Not applicable			
J: Previous audit type:	Not applicable			
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	On duty. However, two (2) Workplace Coordinating Committee (WCC) representatives are invited to confidential interviewing during audit date.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Not applicable, there is no Labour Union as it is not required by law.		

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>
Management and Code Implementation No. 0B		<p>1. In accordance with the ETI Base Code 0.B.2: Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with Code.</p> <p>It was noted that no systems to check the facility's performance against compliance requirements such as internal audits not conducted regularly or missing crucial elements.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should have system to conduct internal audit inside relate social compliance.	60 days	Desktop		Upload evidence for review	Open
Management and Code		2. In accordance with the ETI Base Code 0.B.4: Suppliers are expected	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs	It is recommended that the facility should	60 days	Desktop		Upload evidence for review	Open

Implementati-on No. 0B		to communicate this Code to all employees. It was noted that no evidence of ETI Base Code communicated to employees.	<input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	communicate ETI Base Code to all employees and maintain record for review.					
Management and Code Implementation No. 0B		3. In accordance with the ETI Base Code 0.B.5: Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain. It was noted that the facility has never communicated ETI Base Code to all suppliers and extend the principles of this Ethical Code through their supply chain.	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should communicate ETI Base Code to all suppliers and maintain record for review.	60 days	Desktop		Upload evidence for review	Open
Freedom of Association and Right to Collective Bargaining are Respected No.2		1. In accordance with the Labour Organization Law, 2011 Clause 17. The labour organizations shall have the right to carry out freely in drawing up their constitution and rules, in electing their representatives, in organizing their administration and activities or in formulating their programmes. The Labour Organizations		It is recommended that the facility should provide the election process for established Workplace Coordinating Committee (WCC) and maintain record for review.	60 days	Desktop		Upload evidence for review	Open

		<p>have the right to negotiate and settle with the employer if the workers are unable to obtain and enjoy the rights of the workers contained in the labour laws and to submit demands to the employer and claim in accord with the relevant law if the agreement cannot be reached.</p> <p>In additional, in accordance with ETI Base Code no. 2.1: Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively</p> <p>It was noted that no evidence of election process for established Workplace Coordinating Committee (WCC).</p>							
Safety and Hygienic Conditions No. 3		<p>1. In accordance with ETI Base Code no. 3.4: Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>It was noted that no fire drill conducted at dormitory for employees and persons who live in dormitory.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should provide fire evacuation route map at dormitory building.	30 days	Desktop		Upload evidence for review	Open

<p>Safety and Hygienic Conditions No. 3</p>		<p>2. In accordance with ETI Base Code no. 3.4: Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>It was noted that there is no fire evacuation route map posted at dormitory building which Chinese staffs and translator are living.</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should provide fire evacuation route map at dormitory building.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>
<p>Safety and Hygienic Conditions No. 3</p>		<p>3. In accordance with ETI Base Code no. 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.</p> <p>It was noted that there is no fire evacuation route map posted at all areas in the facility.</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should provide fire evacuation route map which indicate by native language of employee to covering all areas in the workplace.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>

<p>Safety and Hygienic Conditions No. 3</p>		<p>4. In accordance with the Dispatch from Ministry of Labour, Department of Labour, on Safety, Health and Welfare: Employers have the responsibility to protect workers from occupational hazard arising out of physical facilities, harmful substances and environmental factors at the workplace, as well as to provide proper welfare facilities at workplaces.</p> <p>In additional, in accordance with ETI Base Code no. 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.</p> <p>It was noted that the water pressure of emergency eye washes</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should maintenance the water pressure of emergency eye washes in appropriate condition for ready to use when emergency case is occurred.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>
---	--	---	---	---	----------------	----------------	--	-----------------------------------	-------------

		at washing area is inadequate.							
Safety and Hygienic Conditions No. 3		<p>5. In accordance with the ETI Base Code no. 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.</p> <p>It was noted that no Material Safety Data Sheet (MSDS) of Diesel Oil available for review.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should provide Material Safety Data Sheet (MSDS) in native language of employees at chemical storage area and operation area to cover all chemicals in the workplace.	30 days	Desktop		Upload evidence for review	Open
Safety and Hygienic Conditions No. 3		<p>6. In accordance with the ETI Base Code no. 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</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should provide secondary containment for prevent the chemical spill/leakage to covering all chemicals at chemical using	30 days	Desktop		Upload evidence for review	Open

		<p>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.</p> <p>It was noted that no secondary containment to prevent the chemical spill/ leakage for chemical at the washing area, chemical for washing process in front of chemical storage room and Diesel Oil at generator area.</p>		area and chemical storage area.					
Safety and Hygienic Conditions No. 3		<p>7. In accordance with the ETI Base Code no. 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.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should provide personal protective equipment (PPE) to employees and encourage all employees to wear their PPE during working to protect the harmfulness to the health of its employees.</p>	30 days	Desktop		Upload evidence for review	Open

		<p>It was noted that no personal protective equipment (PPE) provided to employee such as face mask for employee who work with dust area (winding room) and chemical mask for employee who work with chemical (washing area).</p>							
<p>Safety and Hygienic Conditions No. 3</p>		<p>8. In accordance with the Dispatch from Ministry of Labour, Department of Labour, on Safety, Health and Welfare: Employers have the responsibility to protect workers from occupational hazard arising out of physical facilities, harmful substances and environmental factors at the workplace, as well as to provide proper welfare facilities at workplaces.</p> <p>In additional, in accordance with the ETI Base Code no. 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</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should post hazard sign and PPE sign to covering all areas that in the workplace which specially for the area that stored or using chemical.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>

		<p>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.</p> <p>It was noted that no hazard sign and PPE sign posted in the facility which specially for the area that stored or using chemical.</p>							
Safety and Hygienic Conditions No. 3		<p>9. In accordance with the Factory Act, 1951 The President may, in addition to the safety measures mentioned in this chapter by rules prescribe further safety measures concerning the followings</p> <p>(a) further fencing regarding the safety of particular machines;</p> <p>(b) the provision of devices that will prevent the safety uncovering of a dangerous part of any part of any machine while it is in motion, or that will stop the machine in case of danger;</p> <p>(c) the provision of automatic safety – guards that will prevent the person operating the machine from coming</p>	<p><input type="checkbox"/> Training</p> <p><input type="checkbox"/> Systems</p> <p><input type="checkbox"/> Costs</p> <p><input type="checkbox"/> lack of workers</p> <p><input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should install safety guard at moving part/ risk part of machine to covering all machines for prevent accident that can occur.</p>	30 days	Desktop		Upload evidence for review	Open

		<p>into contact with the dangerous part where this cannot be secured by a fixed safety guard</p> <p>(d) the fencing of materials or articles which, being manipulated no machines while in motion are dangerous and</p> <p>(e) any other matter which may be deemed expedient in order to give effect to the provisions.</p> <p>In additional, in accordance with the ETI Base Code no. 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.</p> <p>It was noted that no safety guard installed at some parts of machines as follow;</p>							
--	--	--	--	--	--	--	--	--	--

		<ul style="list-style-type: none"> • Safety guard for moving parts of linking machines had installed but is not cover all linking machines. • No needle guards/ finger guard installed at all sewing machines. 							
Safety and Hygienic Conditions No. 3		<p>10. In accordance with the ETI Base Code no. 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.</p> <p>It was noted that no risk assessment related health and safety established in the facility.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should establish risk assessment related health and safety which covering to all activities and job functions.</p>	30 days	Desktop		Upload evidence for review	Open

<p>Safety and Hygienic Conditions No. 3</p>		<p>11. In accordance with ETI Base Code no. 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.</p> <p>It was noted that no evidence records to ensure that fire-fighting equipment and emergency equipment (fire alarm, fire hose, fire hydrant, fire sprinkler, smoke detector, emergency light and fire exit light box) has been inspection in the facility.</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should provide the inspection record with regularly inspection for all fire-fighting equipment and emergency equipment (fire alarm, fire hose, fire hydrant, fire sprinkler, smoke detector, emergency light and fire exit light box) to ensure that ready to use when emergency case is occurred.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>
<p>Safety and Hygienic Conditions No. 3</p>		<p>12. In accordance with the Electricity Law (1984) Chapter 9 Clause 37 The electrical inspection department can issue the electrical standards and inspection techniques occasionally</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should provide electric inspection at least once a year or follow as validation in inspection record.</p>	<p>30 days</p>	<p>Desktop</p>		<p>Upload evidence for review</p>	<p>Open</p>

		<p>in accordance with the procedure of this law.</p> <p>In accordance with the ETI Base Code no. 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.</p> <p>It was noted that the electric inspection was overdue and not yet renew. The latest inspection was on 28 March 2018 and valid within one (1) year.</p>							
Safety and Hygienic Conditions No. 3		<p>13. In accordance with the ETI Base Code no. 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</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should provide forklift inspection as daily or regularly to ensure that suitable condition, safety and ready to use.</p>	30 days	Desktop		Upload evidence for review	Open

		<p>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.</p> <p>It was noted that no inspection record of forklift such as daily checking.</p>							
Safety and Hygienic Conditions No. 3		<p>14. In accordance with the ETI Base Code no. 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.</p> <p>It was noted that no working environment condition inspection (light, noise, heat, dust) provided in the facility.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should provide working environment condition inspection (light, noise, heat, dust) in the workplace at least once a year and maintain record for review.</p>	30 days	Desktop		Upload evidence for review	Open

<p>Living Wages and Benefits No. 5</p>		<p>1. In accordance with the payment of wages act, 1936 Clause 13A (2) Every register and record required to be maintained under this section shall, for the purposes of this Act, be preserved for a period of three years after the date of the last entry made therein.</p> <p>In accordance with ETI Base Code 5.1: Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>It was noted that found the facility does not maintain payroll record and document related SSB for 12 months backward. The auditor could verify payroll records since January 2019 until present.</p> <p>Remark: The facility informed that the record</p>	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should maintain all relevant documents of employees include sub-contractor for review at least three (3) years as ETI Base Code and local law requirement.</p>	<p>60 days</p>	<p>Follow-Up</p>		<p>Onsite audit is required</p>	<p>Open</p>
--	--	---	---	---	----------------	------------------	--	---------------------------------	-------------

		of 2018 had sent to kept at head office in China.							
Living Wages and Benefits No. 5		<p>2. In accordance with the payment of wages act, 1936 Clause 13A (2) Every register and record required to be maintained under this section shall, for the purposes of this Act, be preserved for a period of three years after the date of the last entry made therein.</p> <p>In accordance with ETI Base Code 5.1: Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>It was noted that found the facility does not maintain payroll record of security guard sub-contractor company (Lucky Bravo Security Services Co., Ltd.) for 12 months backward. Only sign for received the wage available for review.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should maintain all relevant documents of employees include sub-contractor for review at least three (3) years as ETI Base Code and local law requirement.</p>	60 days	Follow-Up		Onsite audit is required	Open

<p>Working Hours No. 6</p>		<p>1. In accordance with the Factory Act, 1951, permission of Factories and the General Labour Law Inspection Department must be obtained for an approval of a constant overtime policy.</p> <p>In additional, in accordance with ETI Base Code no. 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.</p> <p>It was noted that based on time and payroll record and overtime permit review in January 2019, March 2019 and May 2019 and management representative interview, some selected employees worked on weekly holiday (Sunday) without permission as follow;</p> <ul style="list-style-type: none"> 20 out of 40 selected direct employees (production) worked on weekly holiday 	<p><input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:</p>	<p>It is recommended that the facility should obtain the permission from Labor office to covering every day that work overtime or work other than normal working hour as local law requirement.</p>	<p>60 days</p>	<p>Follow-Up</p>		<p>Onsite audit is required</p>	<p>Open</p>
----------------------------	--	---	---	---	----------------	------------------	--	---------------------------------	-------------

		<p>(Sunday) without permission on 13 and 20 January 2019.</p> <ul style="list-style-type: none"> • 24 out of 40 selected employees (production) worked on weekly holiday (Sunday) without permission on 17 March 2019. • 2 out of 40 selected employees (production) worked on weekly holiday (Sunday) without permission on 12 May 2019. 							
Working Hours No. 6		<p>2. In accordance with the Factory Act, 1951, permission of Factories and the General Labour Law Inspection Department must be obtained for an approval of a constant overtime policy.</p> <p>In additional, in accordance with ETI Base Code no. 6.1: Working hours must comply with national laws, collective</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should obtain the overtime permission from Labor office to covering every day that work overtime or work other than normal working hour as local law requirement.</p>	60 days	Follow-Up		Onsite audit is required	Open

		<p>agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers.</p> <p>It was noted that based on time and payroll record and overtime permit review in January 2019, March 2019 and May 2019 and management representative interview, all selected direct employees (production) worked overtime during 2 – 5 January 2019 and 7 – 12 January 2019 without overtime permission.</p>							
Working Hours No. 6		<p>3. In accordance with the Factory Act, 1951, permission of Factories and the General Labour Law Inspection Department must be obtained for an approval of a constant overtime policy.</p> <p>In additional, in accordance with ETI Base Code no. 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.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should work overtime do not exceed overtime permission which obtain from Labor office.</p>	60 days	Follow-Up		Onsite audit is required	Open

		<p>It was noted that based on time record and overtime permit review in January 2019, March 2019 and May 2019, some selected employees worked overtime per day more than the overtime permission as follow;</p> <ul style="list-style-type: none"> • 17 out of 40 selected employees worked overtime four (4) hours per day which more than the overtime permission in that day was three (3) hours in January 2019. • 4 out of 40 selected employees worked overtime four (4) hours per day which more than the overtime permission in that day three (3) hours in May 2019. 							
Working Hours No. 6		<p>4. In accordance with ETI Base Code;</p> <ul style="list-style-type: none"> • 6.4: The total hours worked in any 7 days 	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers	It is recommended that the facility should control maximum weekly	60 days	Follow-Up		Onsite audit is required	Open

		<p>period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <ul style="list-style-type: none"> • 6.5: Working hours may exceed 60 hours in any 7 days period only in exceptional circumstances where all of the following are met: <ul style="list-style-type: none"> ○ This is allowed by national law ○ This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce ○ Appropriate safeguards are taken to protect the workers' health and safety; and ○ The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, 	<input type="checkbox"/> Other – please give details:	<p>total working hour to not exceed 60 hours as ETI requirement.</p>					
--	--	--	---	--	--	--	--	--	--

		<p>accidents or emergencies.</p> <p>It was noted that based on time record review in January 2019, March 2019 and May 2019, some selected direct employees worked more than 60 hours per week;</p> <ul style="list-style-type: none"> In January 2019 found 18 out of 40 selected direct employees (production) worked 61 - 68 hours per week. In March 2019 found 19 out of 40 selected direct employees (production) worked 62 hours per week. 							
Working Hours No. 6		<p>5. In accordance with ETI Base Code 6.6: Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.</p> <p>It was noted that based on time record review in January 2019, March 2019 and May 2019, some selected direct employees worked more</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended the facility should provide at least one (1) day off in every seven (7) days period as ETI requirement.</p>	60 days	Follow-Up		Onsite audit is required	Open

		<p>than six (6) consecutive days without at least one (1) day off as follow;</p> <ul style="list-style-type: none"> In January 2019 found 20 out of 40 selected direct employees (production) worked 8 - 13 consecutive days. In March 2019 found 24 out of 40 selected direct employees (production) worked 9 consecutive days. In May 2019 found 2 out of 40 selected direct employees (production) worked 12 consecutive days. 							
Working Hours No. 6		<p>6. In accordance with ETI Base Code;</p> <ul style="list-style-type: none"> 6.4: The total hours worked in any 7 days period shall not exceed 60 hours, except where covered by clause 6.5 below. 6.5: Working hours may exceed 60 	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should control maximum weekly total working hour to not exceed 60 hours as ETI requirement.</p>	60 days	Follow-Up		Onsite audit is required	Open

		<p>hours in any 7 days period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> o This is allowed by national law o This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce o Appropriate safeguards are taken to protect the workers' health and safety; and o The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>It was noted that based on time record review in January 2019, March 2019 and May 2019,</p>							
--	--	--	--	--	--	--	--	--	--

		some selected sub-contractor employees (security guard) worked more than 60 hours per week; the maximum was 84 hours per week in January 2019, March 2019 and May 2019.							
Working Hours No. 6		<p>7. In accordance with ETI Base Code 6.6: Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.</p> <p>It was noted that based on time record review in January 2019, March 2019 and May 2019, some selected sub-contractor employees (security guard) worked more than six (6) consecutive days without at least one (1) day off; the maximum was 13 consecutive days in January 2019, March 2019 and May 2019.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended the facility should provide at least one (1) day off in every seven (7) days period as ETI requirement.	60 days	Follow-Up		Onsite audit is required	Open
Regular Employment No. 8		1. In accordance with ETI Base Code 8.4: There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers,	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should provide system to manage sub-contractor to comply as local law requirement.	60 days	Desktop		Upload evidence for review	Open

		<p>agency workers, temporary or casual labour the supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>It was noted that the facility did not have system for managed security guard sub-contractor to comply as local law requirement.</p>							
Environment 4-Pillar No. 10B4		<p>1. In accordance with ETI Base Code 10B4.5: Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>It was noted that the facility does not establish environmental aspect.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should establish environmental aspect in the workplace.	60 days	Desktop		Upload evidence for review	Opened
Environment 4-Pillar No. 10B4		<p>2. In accordance with ETI Base Code 10B4.6: The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	It is recommended that the facility should provide the appropriate system to collect and record the data related use and discharge of natural resources in the workplace.	60 days	Desktop		Upload evidence for review	Opened

		<p>It was noted that the facility does not appropriate system to record related use and discharge of natural resources due to some details did not collected the data.</p>							
Business Ethics No.10C		<p>1. In accordance with ETI Base Code, Additional Elements 10C.4: Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.</p> <p>It was noted that there is no transparent system in place for confidentially reporting and dealing with unethical business ethics.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should have transparent system in place for reporting and dealing with unethical business ethics.</p>	30 days	Desktop		Upload evidence for review	Open
Business Ethics No.10C		<p>2. In accordance with ETI Base Code, Additional Elements 10C.6: Businesses should have a designated person responsible for implementing standards concerning Business Ethics.</p> <p>It was noted that there is no designated</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	<p>It is recommended that the facility should have designated responsible person for business ethics standards implementation.</p>	30 days	Desktop		Upload evidence for review	Open

		responsible person for implementation of business ethics standards.							
--	--	---	--	--	--	--	--	--	--

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>
Universal Rights covering UNGP No. 0A		<p>1. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.1: Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, employees including its own business partner.</p> <p>It was noted that the facility did not communicate the Social Responsibility Policy to all appropriate parties, related person, including subcontracting.</p> <p>It is recommended that the facility should communicate the Social Responsibility Policy to all appropriate parties, employees including business partner/ subcontracting.</p>		
Universal Rights covering UNGP No. 0A		<p>2. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.2: Businesses should have a designated person responsible for implementing standards concerning Human rights.</p> <p>It was noted that the facility has not assigned official designated person for implementing standards concerning Human rights in place.</p> <p>It is recommended that the facility should design person to responsible for implementing standards concerning Human Rights in place.</p>		

<p>Universal Rights covering UNGP No. 0A</p>		<p>3. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.3: Businesses shall identify their stakeholders and salient issues.</p> <p>It was noted that the facility has not identified their stakeholders and salient issues regarding human right.</p> <p>It is recommended that the facility should identified their stakeholders and salient issues regarding human rights.</p>		
<p>Universal Rights covering UNGP No. 0A</p>		<p>4. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.4: Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>It was noted that there is no measuring system for their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>It is recommended that the facility should establish the human right measuring system for their direct, indirect, and stakeholders.</p>		
<p>Universal Rights covering UNGP No. 0A</p>		<p>5. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.5: Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>It was noted that there is no effective remediation established in case found adverse impact on human rights within any of their stakeholders.</p> <p>It is recommended that the facility should establish the remediation system when adverse impact on human rights within any of their stakeholders found.</p>		
<p>Universal Rights covering UNGP No. 0A</p>		<p>6. In accordance with the additional elements under ETI Base Code 0A Universal Rights covering UNGP, 0.A.6: Businesses shall have a transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.</p>		

		<p>It was noted that there is no transparent system for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter provided for their stakeholders.</p> <p>It is recommended that the facility should establish the confidentially report system in case transparent which include to dealing with human rights impacts without fear of reprisals towards the reporter provided for their stakeholders.</p>		
--	--	---	--	--

Good examples

Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
Wages and Benefits No. 5	The facility has provided additional welfare and benefits to employees; <ol style="list-style-type: none"> 1. Attendance bonus 2. Transportation 3. Transportation allowance for employee who come to facility by themselves. 4. Incentive 5. Uniform 	Based on management representative and employee interviews

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:		<p>Title: Director</p> <p>Date: 6 June 2019</p>
B: Auditor Signature:		<p>Title: Auditor</p> <p>Date: 6 June 2019</p>
<p>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</p>		
<p>D: I dispute the following numbered non-compliances:</p>		
E: Signed: <i>(If <u>any</u> entry in box D, please complete a signature on this line)</i>		<p>Title</p> <p>Date</p>
<p>F: Any other site Comments:</p>		

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.

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



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=riPsbE0PQ52ehCo3lnq5lw_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>