




SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 403093184	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 403147128
Business name (Company name):	FUJIAN DEHUA JINHUA PORCELAIN CO.,LTD		
Site name:	FUJIAN DEHUA JINHUA PORCELAIN CO.,LTD 福建省德化县锦华陶瓷有限公司		
Site address: <i>(Please include full address)</i>	(Operate address: Pengxiang Industrial Park, Longxun Town), Huancheng RD, Baomei Village, Longxun Town, Dehua, Fujian Province 福建省德化县龙浔镇宝美村环城路(经营场所: 福建省德化县龙浔镇鹏祥工业区)	Country:	China
Site contact and job title:	Ms. Yan Xuezhen/Manager		
Site phone:	13599790861	Site e-mail:	1617803174@qq.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:	January 10, 2022		

Audit Company Name & Logo: DNV SCPA China 	Report Owner (payer): FUJIAN DEHUA JINHUA PORCELAIN 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): Leo Xie

Lead auditor: Leo Xie

Team auditor: Nil

Interviewers: Leo Xie

Report writer: Leo Xie

Report reviewer: Jie Liao

Date of declaration: January 10, 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: 9:00 Day 1 Time out: 17:30	Day 2 Time in: N/A Day 2 Time out: N/A	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1 (1 auditor × 1 day)		
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:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not : The factory had only just started the SAQ and so did not make it available to the auditors.		
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)	Ms. Yan Xuezheng/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:	N/A		
J: Previous audit type:	N/A		
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	N/A		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There was no worker union formed 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 0B Management systems and code implementation - 1	New	During worker interview, it was noted that 2 out of 10 workers interviewed were not aware of the ETI code . 审核发现参与员工访谈的10名员工中有2名不了解ETI行为守则。	<input checked="" 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:	It is recommended that management adopt practices and controls to ensure that all workers are communicated with ETI Code. 建议工厂采取措施确保所有员工沟通并了解 ETI 守则。	60 days	Desktop	Agreed Ms. Yan Xuezheng/ Manager		
NC 2 3 Safety and Hygienic Conditions - 1	New	During the facility tour, it was noted that there were some liquid glazes stored beside the 1 st floor of production area but no secondary containers were provided. 现场审核过程中发现厂房一楼车间存放部分釉水但	<input checked="" 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: Lack of awareness of health and Safety risks.	It is recommended that management adopt practices and controls to ensure chemicals are provided with secondary containers. 建议工厂采取措施确保为所有化学品提供	30 days	Desktop	Agreed Ms. Yan Xuezheng/ Manager		

		未提供二次容器防止泄漏。		适当的二次容器防止泄漏。					
NC 3 3 Safety and Hygienic Conditions - 2	New	It was noted that 5 out of 5 Roller pressing machines located at the 3rd floor of factory building were not installed with pulley guards during operation. 审核发现工厂3楼车间5台在使用中的辊压机均未安装滚轮保护罩	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Lack of awareness of health and Safety risks.	It is recommended that management adopt practices and controls to ensure that all machines are installed with protective guards on external dangerous parts. 建议工厂采取措施确保所有的机器设备危险外露部位安装防护装置。	30 days	Desktop	Agreed Ms. Yan Xuezheng/ Manager		
NC 4 5 Living Wages and Benefits - 1	New	It was noted that the social insurance coverage was insufficient in the factory. According to the social insurance payment receipt of Dec. 2021 provided by factory management, it was noted that 31 out of 49 employees were provided with pension insurance, medical assurance insurance, pregnant insurance and work-related injuries insurance. 3 out of 49 employees were provided with unemployment insurance. All employees were provided with	<input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Some workers from other province refused to participate in the social insurance scheme	It is recommended that factory management adopt practices and controls to ensure that employees receive all of their statutory welfare entitlements. 建议工厂为员工提供所有法定的社会保险福利。	120 days	Desktop	Agreed Ms. Yan Xuezheng/ Manager		

		commercial incident insurance. 根据工厂提供的 2021 年 12 月份的社保缴费单据，共 49 名员工，其中仅 31 名参加养老、医疗、生育及工伤保险，3 名参加失业保险。工厂为所有员工购买商业意外保险。							
NC 5 6 Working Hours - 1	New	Overtime hours exceeded the legal limits of 36 hours per month. According to the attendance records of 3 sample months, it was noted that: 10 out of 10 sample workers worked 79 overtime hours in Dec. 2020 (random month); 10 out of 10 sample workers worked 75 overtime hours in Jun. 2021 (random month); 10 out of 10 sample workers worked 77.5 overtime hours in Nov. 2021 (current month). Remark: Factory did not obtain Consolidated Working Hour System Approval. 根据厂方提供的工时记录，审核员发现所抽取的 3 个月样本中所有员工加班时间超出了每月 36 小时	<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 overtime hours of workers in line with legal requirement. 建议工厂采取措施加班达到法定要求。	60 days	Follow -up	Agreed Ms. Yan Xuezheng/ Manager		

		<p>加班的法定标准，具体为：</p> <ul style="list-style-type: none"> 10/10 名员工在 2020 年 12 月的加班时间为 79 小时，超过每月加班时间不能超过 36 小时的法律规定。（任意月份） 10/10 名员工在 2021 年 6 月的加班时间为 75 小时，超过每月加班时间不能超过 36 小时的法律规定。（任意月份） 10/10 名员工在 2021 年 11 月的加班时间为 77.5 小时，超过每月加班时间不能超过 36 小时的法律规定。（当月） <p>备注：工厂未取得综合计时批文</p>						
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Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
OB1 OB Management systems and	New	It was noted that the SAQ had not been completed by the factory. 审核发现工厂没有在系统上面完成自我评估表。	The factory had only just started the SAQ and so did not make it available to the auditors.	The site would finalise the SAQ within the next month. 工厂将在一个月内完成自我评估表。

code implementation -1				
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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		

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:	Ms. Yan Xuezheng	Title Manager Date January 10, 2021
B: Auditor Signature:	Leo Xie	Title Lead Auditor Date January 10, 2021
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances: Nil		
E: Signed: <i>(If any entry in box D, please complete a signature on this line)</i>	Ms. Yan Xuezheng	Title Manager Date January 10, 2021
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=riPsbEoPQ52ehCo3lnq5lw_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> |