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The form should be used in the following manner:

- Document all non-compliances in the form below prior to the closing meeting in appropriate language;
- Then use the form as an agenda during the closing meeting;
- During the closing meeting, go through the Facility audit findings with the Facility representative, and try and agree upon a corrective and preventative action plan;
- Document the agreed corrective and preventative action plan using the space in the form and confirming agreement;
- Both parties should sign and date the form.

Please leave one copy of the present Corrective Action Plan (CAP) with the Facility representative and retain one copy with the audit program or working papers.

Facility Name: FUJIAN PROVINCE JINJIANG CITY HENGXIN SHOES PLASTIC CO., LTD.	Client: Brand Collective Pty Ltd
Facility Address: No.73 Dongshan Chidian Industrial Zone Jinjiang City Quanzhou City Fujian Province	Auditor Name: KD XIE
Facility Representative (name and position): Mr. Yu Bi Ming / Factory director	Date: 2018/10/08 <i>Arrival time: 8:40 am</i> <i>Closing meeting time: 15:50 pm</i>


The audit findings are based upon on-site observation, interviews with employees, questionnaire data, and examination of company records.

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CONCLUSION

- No non-compliance has been identified
 Some non compliance(s) need further attention. Find details below:


AREA	FINDINGS	RATING (Minor / Major)	CORRECTIVE & PREVENTATIVE ACTION PLAN PROPOSED BY FACILITY	RESPONSIBLE PERSON	ESTIMATED COMPLETION DATE
427	<p>Based on onsite observation, it was noted that no belt pulley protective covers were available for 50% sewing machines.</p> <p>It violated General Rules of Design on Health and Safety of Production Facility (GB 5083-1999), Article 6.1.2 Necessary safeguard shall be installed for all moving parts that are accessible to the operator during machine operation.</p>	Minor	The factory should install protective devices for the related sewing machines.	Mr. Wu Wei Xin / Financial manager	Nov 7, 2018
438	<p>Based on onsite observation, it was noted that about 30% electric boxes were not installed with internal protective covers or not installed with protection covers.</p> <p>It violated General Guide for Safety of Electric User (GB/T 13869-2008) 6.7 The electrical wiring of electrical products shall be of sufficient insulation strength, mechanical strength, and the ability to conduct electricity of electrical wiring. They shall be checked periodically.</p>	Minor	The factory should install internal protective cover or protection cover for all electric boxes.	Mr. Wu Wei Xin / Financial manager	Nov 7, 2018

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	6.8 The copper core rubber-sheathed flexible cable or cord shall be used as power cord on the movable electrical product. The power cord should be protected from breaking or damaging when moving.				
443	<p>Based on onsite observation, it was noted that no safety labels were available for about 30% chemicals, such as banana oil.</p> <p>It violated Regulations on Safety Use of Chemicals in Workplaces (1996), Article 12 Chemicals used shall have the labels, and the hazardous chemicals should be attached with safety labels. Also, the safety and technical instructions of the chemicals shall be available for operators engaged in the use of the chemical.</p>	Minor	The factory should stick safety labels for all chemical containers.	Mr. Wu Wei Xin / Financial manager	Nov 7,2018
444	<p>Based on onsite observation, it was noted that no secondary containment was available for about 10% chemicals, such as glues were used in forming workshop.</p> <p>It violated Code of Design on Building Fire Protection and Prevention (GB50016-2014, 2018 Amendment), Article 3.6.12 Facilities capable of preventing liquids from flooding and spreading shall be provided in storage storing Class A, B and C liquids. Stores of items that are subject to fire and explosion in case of damp shall be protected against water immersion.</p>	Minor	The factory shall install secondary containment for all chemicals.	Mr. Wu Wei Xin / Financial manager	Nov 7,2018
446	Based on onsite observation, it was noted that no MSDS was available for about 20% chemicals, such	Minor	The factory should obtain the MSDS for the chemicals used and stored at the factory and post	Mr. Wu Wei Xin / Financial	Nov 7,2018

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	<p>as curing agent was used in forming workshop</p> <p>It violated Regulations on Safety Use of Chemicals in Workplaces (1996), Article 12, Chemicals used shall have the labels, and the hazardous chemicals should be attached with safety labels. Also, the safety and technical instructions of the chemicals shall be available for operators engaged in the use of the chemical. Article 20, Units shall open safety and sanitary documents of hazardous chemicals to employees and educate them to identify the safety labels, understand the safety and technical instructions, and master the emergency response methods as well as self-first-aid measures. Units shall regularly educate and train employees regarding the safety use of chemicals at workplaces.</p>		<p>them at the places where chemicals are used and stored</p>	<p>manager</p>	
807	<p>Based on the attendance records provided by the factory from Sep 1,2017 to Oct 8,2018 for review, it was noted that all sampled workers' monthly overtime hours exceeded legal requirement 36 hours and the maximum workers' monthly overtime hours were 84 hours that happened in Mar,2018.</p> <p>It violated Labor Law of the People's Republic of China (1994), Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended</p>	Minor	<p>The factory should ensure the overtimes of workers be in accordance with the legal requirements</p>	<p>Mr. Wu Wei Xin / Financial manager</p>	<p>Nov 7,2018</p>

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	<p>hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p>				
906	<p>The factory did not provide social insurance for all workers. During audit, there was total 72 employees in the factory, based on social insurance payment receipts was provided by the factory for review, the factory only provided retirement insurance, unemployment insurance, medical insurance, maternity insurance and injured insurance for five employees. Remark: The factory provided group accident insurance for all employees.</p> <p>It violated Labor Law of the People's Republic of China (1994), Article 72, The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law. Article 73, Laborers shall, in accordance with the law, enjoy social insurance benefits under the following circumstances: 1. Retirement; 2. Illness or injury; 3. Disability caused by work-related injury or occupational disease; 4. Unemployment; and</p>	Major	The factory should provide social insurance to employees as per local social insurance administrative department requirement.	Mr. Wu Wei Xin / Financial manager	Jan 7,2019

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	5. Child-bearing.				
1009	<p>Based on document review, the factory did not regularly monitor waste gas and boundary noise level.</p> <p>It violated Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise (1996), Article 23 The industrial noise emitted to the living environment of the neighbourhood within an urban area shall be kept within the limits set by the State on emission of environmental noise within the boundary of an industrial enterprise. Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (2000 Revision), Article 13 Where atmospheric pollutants are discharged, the concentration of the said pollutants may not exceed the standards prescribed by the State and local authorities.</p>	Major	The factory shall employ qualified body to monitor waste gas and boundary noise level regularly.	Mr. Wu Wei Xin / Financial manager	Nov 7,2018
1010	<p>Based on document review, the factory did not provide valid hazardous waste transfer manifest for review.</p> <p>It violated Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (2013 Amendment), Article 57 It is forbidden to supply or entrust hazardous wastes to the unit that does not have the operation licenses for the collection, storage, utilization and treatment.</p>	Minor	The factory shall transfer all hazardous wastes to licensed vendor for proper disposal and keep waste transfer manifest.	Mr. Wu Wei Xin / Financial manager	Nov 7,2018

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	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (2013 Amendment), Article 59 Whoever transfers hazardous wastes shall fill in duplicate forms for transferring hazardous wastes according to relevant state regulations...				
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A closing meeting has been performed, the above findings were explained, and a corrective and preventative action plan was agreed.

SUPPLIER'S CONFIRMATION


- SGS Auditor(s) was (were) present at the audit location according to the above time sheet
- I have not made any attempt to influence the SGS auditor(s) through gratification, entertainment or payment of any kind.
- No courtesy is being requested by SGS auditor otherwise the SGS General Manager has been/ will be informed.

Signature – Lead Auditor	Date
KD XIE	Oct 8,2018

Facility representative Name and position	Facility Representative Signature	Date
Mr. Wu Wei Xin / Financial manager	Mr. Wu Wei Xin	Oct 8,2018

In case Facility management disagrees with the finding and/or the action plan, he can comment and sign in the bellow place:

Comments
Nil

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Facility representative Name and position	Signature – Facility Representative	Date
Mr. Wu Wei Xin / Financial manager	Mr. Wu Wei Xin	Oct 8,2018