

SMETA Corrective Action Plan Report (CAPR)

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

2-pillar audits include:

- Labour standards:
 - 0. Enabling accurate assessment
 - 1. Employment is freely chosen
 - 1.A. Responsible recruitment and entitlement to work
 - 2. Freedom of association and right to collective bargaining are respected
 - 4. Child labour shall not be used
 - 5. Legal wages are paid
 - 5.A. Living wages are paid
 - 6. Working hours are not excessive
 - 7. No discrimination is practiced
 - 8. Regular employment is provided
 - 8.A. Sub-contracting and homeworkers are used responsibly
 - 9. No harsh or inhumane treatment is allowed
- Health and safety:
 - 3. Working conditions are safe and hygienic
- Environment:
 - 10.A. Environment 2-pillar

4-pillar audits include, in addition to the above:

- Environment:
 - 10.B. Environment 4-pillar
- Business ethics:
 - 10.C. Business ethics

(2) Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

(3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit details

Site details

Sedex site reference	ZS1000059378	Site name	SHANDONG KINGSTAR SPORTS FITNESS CO LTD
Business name	SHANDONG KINGSTAR SPORTS FITNESS CO. LTD	Site address	262300 NORTH AREA,FUQIANG ROAD,WULIAN COUNTY 日照市五莲县县城富强路北段东侧, RIZHAO, CN

Audit details

Sedex company reference	ZC5000050349	Auditor company name	Benchmarks Company Limited
Date of audit	2025-05-29	Audit conducted by	Alice Pang
Audit pillars	Labour Standards Health and safety		
Time in and out	Day 1		
	In	09:00	
	Out	17:00	
Audit type	Full initial		
Was the audit announced?	Announced		
Was the Sedex SAQ available for review?	Yes		
Who signed and agreed CAPR?	Ms. Xia Peiquan / Manager		
Any conflicting information SAQ/Pre-Audit Info	No		
Is further information available?	No		

Audit attendance

Senior management	Worker representative	Union representative
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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
Reason for absence at the opening meeting	N/A. There was no union at this factory		
Reason for absence during the audit	N/A. There was no union at this factory		
Reason for absence at the closing meeting	N/A. There was no union at this factory		

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

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.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

Due to the failure of the Sedex platform, this audit could only be successfully initiated on May 29th, 2025, but the actual audit date was May 26th, 2025

Lead auditor

Alice Pang

APSCA Number

21700318

Additional auditor

Date of declaration

2025-05-29

Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms. Xia Peiquan
Title	Manager
Date of declaration	2025-05-29

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	Local law Base code	NC ZAF600958923
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF600958924
	3.R Provide clean and secure toilets, wash ar...	Local law Base code	NC ZAF600958925
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF600958922
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF600958926

Findings: non-compliances

ZAF600958923

Non-compliance

Due 2025-08-06

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

60 days

Issue title

318 - Inadequate/isolated failure in conducting medical examinations or occupational health checks, including disease checks, of workers in hazardous situations(e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Description

Inadequate health check for occupational disease.

It was noted that the factory provided the occupational health checks to employees in the workshop who were in contact with hazardous materials yearly. However, the occupational health checks were not provided to employees leave the posts.

职业病体检不足。

审核员发现厂方有每年为在车间接触有毒有害物质的员工提供职业病体检，但工厂并没有组织这些员工离岗时进行职业病体检。

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that regular occupational health checks are provided to all employees handling hazardous materials.

建议工厂给接触有毒有害物质的员工提供定期体检。

Local law reference

Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the laborers that are engaged in the operations contacting the harm of occupational diseases, the employing work unit shall organize the occupational health examination of the laborers before they take the posts, when they are at the posts and when they leave the posts, the employing work unit shall inform the laborers of the examination results. The employing work unit shall afford the expenses needed for the occupational health examination. The employing work unit may not assign the laborers that haven't gone through the pre-post occupational health examination to undertake the operations involving the harm of occupational diseases; may not assign the laborers that have occupational contraindications to undertake the operations that they shall avoid; the laborers that are found to have the health injuries related to their posts during the occupational health examination shall be transferred from their former posts and be settled appropriately; and the employing work unit may not cancel or terminate the labor contacts signed with the laborers that haven't gone through the occupational health examination before they leave their posts. The occupational health examination shall be undertaken by the medical health institutions which have obtained Practicing License of Medical Institution. Administrative Departments of Health should strengthen the regulation on occupational health checks. Specific administrative measures are established by Health Administration Department of the State Council.

* PDF generated at 01:53 (UTC) on 07 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600958924

Non-compliance

Due 2025-08-06

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Issue title

327 - Storage of goods not in line with legal requirements (e.g. too high)

Description

It was noted that the gap between some products stacks and walls was 0 meter, which was less than the legal requirement of 0.5 meter.

货物靠墙堆放。

审核员发现工厂仓库部分物品垛与墙的间距为0米，小于法定0.5米的要求。

Corrective and preventative actions

It is recommended that management adopt practices and a control to ensure that the products were piled should more than 0.5 meters from the wall.

建议工厂确保仓库库存物品垛与墙的间距大于0.5米。

Local law reference

Article 18 of Rules for Storage Fire Prevention Safety Management: The goods in storage should be classified for storage. The area occupied by any single stack shall preferably 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

Evidence

[No gap between the wall and the stack.jpg](#)

* PDF generated at 01:53 (UTC) on 07 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600958925

Non-compliance

Due 2025-07-07

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Issue title

331 - Insufficient privacy afforded to workers in the toilets (e.g. no/missing toilet doors)

Description

Through on-site observation, it was found that the toilets in the facility was not equipped with privacy doors.

通过现场走访，发现企业工厂的卫生间没有安装了隐私门。

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the factory should install privacy doors for all toilets in the production area.
建议工厂为生产区域的所有洗手间安装隐私门。

Local law reference

Hygienic Standards for the Design of Industrial Enterprises (GBZ 1-2010), Article 7.3.4 Toilet should not be too far from the workplace and shall be provided with means of door exhausting, fly-proof. Toilet inside the workshop normally should be water-flushing type and provided with hand washing basin and contaminant washing basin. Toilet should be set up indoors at cold region. Number of squatting pans shall be designed based on the calculation of using persons except for special requirement.
Article 3.3.1 of Urban public toilets design standards (CJJ 14-2005), The design of public toilets should be stool room, urinal room and toilet room set up, each room should have an independent function. Pee room cannot be set in the open air. The entrance to the toilet should be set male, female access, shielding the wall or objects. Each toilet should have a separate unit space, dividing the unit space partition board and the distance between the door and the ground should be greater than 100mm, less than 150mm. The height of the partition board and the door from the floor: a class II public toilet greater than 1.8m, three types of public toilets greater than 1.5m. Separate urinal station should have a height of 0.8m partition board.

Evidence

[the toilets in the facility was not equipped with privacy doors.jpg](#)

* PDF generated at 01:53 (UTC) on 07 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600958922		Non-compliance	Due 2025-08-06
Code area			Status
5 Legal wages are paid			Open*
Workplace requirement			Time given to resolve
5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.			60 days
Issue title			Verification method
423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic			Follow up audit
Description			Area of non-compliance/non-conformance
Insufficient social insurance participated. Through document review, auditor found that there were 95 employees in the facility in May 2025, only 49 employees (51.6%) had participated in basic endowment insurance, basic medical insurance, maternity insurance, unemployment insurance and employment injury insurance. Remark: Based on the management interview and additional records review, the facility had purchased commercial group accident injury insurance for other 46 employees who did not participated the social insurance from June 10, 2024 to June 9, 2025. 社会保险参保不足。通过文件审核，工厂2025年5月，有95名员工，只有49名员工（51.6%）参加养老保险，工伤保险，医疗保险，失业保险以及生育保险；备注：通过管理者访谈和文件审核，企业为没有参保的46名员工提供了商业意外险。有效期为2024年6月10日至2025年6月9日。			Local law
			Base code
Corrective and preventative actions			
The facility would ensure all employees participate in all 5 types of social insurance as soon as possible.			
建议企业应按法规要求为员工参加社会保险			

Local law reference

In accordance with the Social Insurance Law of the People’s Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees. Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state

Evidence

[Insufficient social insurance participated-2.jpg](#)
[Insufficient social insurance participated-1.jpg](#)
[Insufficient social insurance participated.jpg](#)

* PDF generated at 01:53 (UTC) on 07 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600958926		Non-compliance	Due 2025-08-06
Code area	Status		
6 Working hours are not excessive	Open*		
Workplace requirement	Time given to resolve		
6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.	60 days		
Issue title	Verification method		
480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)	Follow up audit		
Description	Area of non-compliance/non-conformance		
Overtime hours exceeded the legal requirement. Through document review, auditor found that: 1) the monthly overtime hours of 10 out of 10 randomly selected employees were 45 hours in December 2024 (random month), 2) the monthly overtime hours of 10 out of 10 randomly selected employees were 44 hours in October 2024 (random month), 3) the monthly overtime hours of 10 out of 10 randomly selected employees were 36 hours in April 2025 (current month). 加班时间超过法规要求。通过文件审核，审核员发现: 1)在抽取的2024年12月份（随机月）的考勤中，10名随机抽取的员工中10名员工的月加班时间为45小时；2)在抽取的2024年10月份（随机月）的考勤中，10名随机抽取的员工中10名员工的月加班时间为 44小时。3)在抽取的2025年4月份（当前月）的考勤中，10名随机抽取的员工中10名员工的月加班时间为 36小时。	Local law		
	Base code		
Corrective and preventative actions			
It is recommended that the facility should reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month 建议企业应减少员工的加班时间确保每天的加班时间不超过3小时，每月的加班时间不超过36小时。			

Local law reference

In accordance with the PRC Labour Law 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 labourers, 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 hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Evidence

[Overtime hours exceeded the legal requirement.png](#)

* PDF generated at 01:53 (UTC) on 07 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly	✔	ⓘ	✔	✔
9. No harsh or inhumane treatment is allowed	✔	✔	✔	ⓘ
10.A. Environment 2-Pillar	✔	✔	✔	✔

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Guidance

The Corrective Action Plan Report (CAPR) 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/ non-conformances.

Good practice examples should be pointed out at the closing meeting as well as discussing non-compliances/ non-conformances (NCs) and corrective actions, Collaborative Action Required (CAR) findings and the Management Systems Assessment (MSA).

Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex members' e-learning platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex members' e-learning platform](#) for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a desktop review process via the Sedex platform or by follow-up audit.
5. Some NCs that cannot be closed off by desktop review may need to be closed off via a 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 NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous 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).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.
8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on management systems please refer to the Management Systems workbooks.

Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the base code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions.

Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

For Suppliers

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from “open” to “in progress”. Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

For Buyers

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

For Auditors

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



For more information visit <https://www.sedex.com>