



KMART Corrective Action Plan

Report No.:	A4578873		
Vendor Code:	V001842		
Factory Code:	F004469		
Vendor Name (English):	Fun Jewellery And Fashion Accessories PTY Ltd		
Vendor Name (Local Language):	Not provided		
Factory Name (English):	Dongguan Fenghe Plastic & Silk Flowers Products Factory		
Factory Name (Local Language):	东莞桥头枫和塑胶丝花制品厂		
Factory Address (Local Language):	中国广东省东莞市桥头镇石水口村岭厦银海路 36 号		
Auditor Company:	Intertek Testing Services Shenzhen Ltd.		
Auditor Name(s):	Ryan Zhou		
Audit Type:	<input type="checkbox"/> Initial Audit <input type="checkbox"/> Renewal Audit <input type="checkbox"/> Follow-up Audit <input checked="" type="checkbox"/> Annual Audit <input type="checkbox"/> Reinstatement Audit <input type="checkbox"/> Remediation Audit		
Audit Date (dd/mm/yyyy):	From:	21/11/2016 09:00:00 AM	
	To:	21/11/2016 05:00:00 PM	

To Factory:

The hard copy of this cap left to the factory is a preliminary version of the finding summary. It might be revised after reviewing. You are encouraged to leave your comment to each finding or at the end of this document. Please sign this document and have it stamped if you do not have any disagreement overall.

To Vendor:

This CAP should be completed and submitted to Kmart ES team within 10 working days after your receiving the soft copy from audit form. Please work with your factory to advise the corrective action plan and the completion date of each finding. The CAP should be completed in English.

<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the Issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
1.1 Child Labour				
1.2 Wages, Benefits and Working Hours				
1.2a Wages and Benefits				
1.2a.6	<p>结论 1: 社会保险参保不足。</p> <p>违反了《中华人民共和国社会保险法》第十条， 职工应当参加基本养老保险， 由用人单位和职工共同缴纳基本养老保险费。第二十三条 职工应当参加职工基本医疗保险， 由用人单位和职工按照国家规定共同缴纳基本医疗保险费。第三十三条 职工应当参加工伤保险， 由用人单位缴纳工伤保险费， 职工不缴纳工伤保险费。第四十四条 职工应当参加失业保险， 由用人单位和职工按照国家规定共同缴纳失业保险费。第五十三条 职工应当参加生育保险， 由用人单位按照国家规定缴纳生育保险费， 职工不缴纳生育保险费。</p>	<p>The facility should ensure all employees participate in social insurance according to the Law.</p> <p>企业应按法规要求为员工参加社会保险。</p>	<p>To request all employees to participate in social insurance according to the Law.尽量要求所有工人按法规参与保险</p>	31/12/2016

<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the Issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	<p>证据：通过查阅企业提供的 2016 年 11 月的社保收据，发现在 2016 年 11 月，34 人中有 20(59%)名员工参加了工伤保险和医疗保险，34 人中有 18(53%)名员工参加了生育保险，养老保险和失业保险。</p> <p>备注：工厂没有获得社保批文，但是工厂在 2016 年 3 月 24 日为 40 名工人向中国平安财产保险股份有限公司购买了商业团体意外险。</p> <p>Finding 1: Not all employees received all required social insurance.</p> <p>It violated 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</p>			



<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACILITY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/facility plan to address the issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	<p>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.</p> <p>Evidence observed: Through review the social insurance receipt of November 2016, it was noted that only 20 out of 34 (59%) employees had participated in employment injury insurance and medical insurance; and only 18 out of 34 (53%) employees had participated in maternity insurance, basic endowment insurance and unemployment insurance.</p> <p>Remark: The facility did not obtain social insurance wavier, but the facility had signed a commercial group accident insurance with Pingan Property & Casualty Insurance Company Of China</p>			

<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	Ltd for 40 employees on March 24, 2016.			
1.2b Working Hours				
1.2b.6	<p>结论 1: 月加班超时。</p> <p>违反了《中华人民共和国劳动法》第 41 条, 用人单位由于生产经营需要, 经与工会和劳动者协商后可以延长工作时间, 一般每日不得超过一小时; 因特殊原因需要延长工作时间的, 在保障劳动者身体健康的条件下延长工作时间每月不得超过三十六小时。</p> <p>证据: 通过文件审核, 审核员发现在抽取的 2016 年 9 月份 (当前月) 的考勤中, 10 名随机抽取的员工中有 6 人的月加班时间为 38-68 小时, 在抽取的 2016 年 5 月份 (随机月) 的考勤中, 10 名随机抽取的员工中有 4 人的月加班时间为 65-71 小时, 在抽取的 2015 年 10 月份 (随机月) 的考勤中, 10 名随机抽取的员工中有 6 人的月加班时间为 39-62 小时。</p> <p>Finding 1: Excessive OT hours</p>	<p>The facility should reduce the overtime hours to ensure it is within 36 hours per month.</p> <p>企业应减少员工的加班时间确保每月的加班时间不超过 36 小时。</p>	To add more employees.增加人手	30/06/2017

<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	<p>It violated 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.</p> <p>Evidence observed: Through document review, auditor found that the monthly overtime hours of 6 out of 10 employees were ranged from 38 to 68 hours in September 2016 (current month), the monthly overtime hours of 4 out of 10 employees were ranged from 65 to 71 hours in May 2016 (random month), and the monthly overtime hours of 6 out of 10 employees were ranged from 39 to 62 hours in October 2015 (random month).</p>			
1.3 Forced/Bonded Labour				

<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
1.4 Discrimination				
1.5 Harassment and Abuse				
1.6 Freedom of Association and Collective Bargaining				
1.7 Health and Safety				
1.7a General Environmental Health and Safety				
1.7b Emergency/Fire Preparedness				
1.7b.22	<p>结论一：工厂宿舍没有安装烟雾探测器。另外，车间和仓库安装的烟雾探测器未连接到消防警报系统。</p> <p>违反了 K-mart 要求：企业应为宿舍安装烟雾探测器，且烟雾探测器需要连接到消防警报系统。</p> <p>证据：通过现场审核，审核员发现企业宿舍没有安装烟雾探测器，而车间和仓库安装的烟雾探测器未连接到消防警报系统。</p> <p>Finding 1: There was no smoke detector in the dormitory, and</p>	<p>The facility should install the smoke detectors in the dormitory, and should ensure that the smoke detectors in dormitory, canteen, warehouse and workshop are connected with the fire alarm system.</p> <p>企业应为宿舍安装烟雾探测器，且烟雾探测器需要连接到消防警报系统。</p>	<p>To install the smoke detectors in the dormitory, and make the smoke detectors in dormitory, warehouse and workshop connected with the fire alarm system.为宿舍安装烟雾探测器,且连接宿舍，仓库和车间的烟雾探测器到消防警报系统</p>	30/06/2017



<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the Issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	<p>the smoke detectors installing in the warehouse and workshop were not connected with the fire alarm system.</p> <p>It violated Kmart Ethical Sourcing Code; smoke detectors should be installed in the facility and connecting with the fire alarm system.</p> <p>Evidence observed: Through facility tour, auditor noted that there was no smoke detector in the dormitory, and the smoke detectors installing in the warehouse and workshop were not connected with the fire alarm system.</p>			
1.7b.23	<p>结论一：工厂未安装喷淋系统。</p> <p>违反了 K-mart 要求：企业需要安装喷淋系统。</p> <p>证据：通过现场审核，审核员发现工厂没有安装喷淋系统。</p>	<p>It is suggested to install the fire sprinkler as a best practice, especially when the local law is absent. Make sure your facility has taken corrective action to other findings and completed. It is acceptable that the facility proposes a long term action plan to implement the</p>	<p>To install fire sprinkler system in facility in the future.将来会安装喷淋系统</p>	30/06/2017



<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACILITY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
	<p>Finding 1: The fire sprinkler system was not installed in the facility.</p> <p>Evidence observed: Through facility tour, auditor noted that the fire sprinkler system was not installed in the facility.</p>	<p>installation at current stage. For example, you can start with consulting a qualified organization or unit about the cost, feasibility, etc. of installing a fire sprinkler system.</p> <p>安装消防喷淋系统作为最佳实践推荐给工厂，特别是在当地法律没有作出明确要求的前提下。请确保在此之前已经针对其他问题做出改善并已完成。目前，工厂将安装消防喷淋系统作为一个长期的计划是可以接受的。例如，工厂可以尝试从向有资质的部门或机构咨询安装的成本以及可行性入手。</p>		
1.7c Accommodations				



<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the Issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
1.7d Building Integrity				
2. Environment				
3. Business Integrity and Anti-corruption				
4. Compliance with the Law				
5. Management Systems				
6. Compliance with our Ethical Sourcing Code				

Factory comments



<u>Item</u>	<u>Deficiency</u> <u>(reference to relevant legal provision and specific finding)</u>	<u>Recommendation</u>	<u>VENDOR/FACTORY CORRECTIVE ACTION PLAN</u> <u>(Indicate the vendor/factory plan to address the Issues)</u>	<u>Planned Completion Date</u> <u>(dd/mm/yyyy)</u>
Nil				

Auditor Signature

Print Name

Date

Ryan Zhou

21/11/2016

Factory Representative Signature

Print Name

Date

Mr. Chen Jinxing

21/11/2016