

Corrective Action Plan (CAP)

GENERAL INFORMATION

Facility Name:	Guangzhou Huaisheng Packaging Inc., Ltd	Customer name:	Bared Footwear
Facility Address:	2nd Floor, Building A2, No. 1, Huanbao 5th Road, Xintang Town, Zengcheng District, Guangzhou City, Guangdong Province, China	Industry / Key main product:	Other
Facility City:	Guangzhou	Facility Tel:	
Facility Postal code:	--	Facility Fax:	
Facility contact:	Wu Shiyong 吴诗泳	Auditor(s):	Patrick Wang
Facility email:	cy603@cy-printing.com	Audit Date:	21-Aug-2026
Service Provider:	Intertek	CIR Generated Date:	21-Aug-2026

TYPE OF ASSESSMENT STAGE

☒ Initial ☐ Follow-up ☐ Re-audit ☐ CAPA Support ☐ Desktop Review ☐ Annual

FINDINGS SUMMARY

Severity	Findings	Recommended Improvement Timeline
Minor	2	Take action within <180 days> to make necessary improvements
Moderate	3	Take action within <90 days> to make necessary improvements
Total	5	

AUDIT RESULTS COMMUNICATED WITH

Name

Title

ADDITIONAL COMMENT

SIGNATURE OF AUDITOR	SIGNATURE OF FACILITY REPRESENTATIVE

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Opportunity for Improvement # 1

Finding and Auditor Comment

Wages & Hours

Working Hours

Severity	Moderate
Finding Code	O0626
Finding	Total overtime hours exceeds allowable limits under applicable law or agreement.
Auditor Comments	Overtime hours exceeded the legal requirement. Auditor noted that the monthly overtime hours of 5 out of 5 random selected employees (including 3 over-aged employees) were 59 hours in July 2026(current month); 3 out of 3 random selected employees (including 1 over-aged employees) were 64 hours in March 2026(random month); 3 out of 3 random selected employees (including 1 over-aged employees) were 64 hours in October 2025(random month).

Applicable Laws

Law Section	Interim Provisions on Basic Rights and Interests Protection for Over-Aged Workers Article 9, Employers shall, in accordance with the Provisions of the State Council on Working Hours of Employees and the Measures for National Annual Festivals, Memorial Days and Holidays, reasonably arrange the working hours and rest and leave of over-age workers and shall generally not arrange overtime work for over-age workers. Where employers arrange overtime work for over-age workers, they shall comply with the provisions of Articles 41, 42, and 44 of the Labor Law of the People's Republic of China.
Law Section	People's Republic of China Labor 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 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 hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in month shall not exceed 36 hours.

Facility Comments

Proposed Corrective Action	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.
Management Response	Ms. Shi Xian Na

Corrective Action Plan

Responsible Personnel	Mr. Su Liang
Expected Completion date	19-Nov-2026
Agreed Completion Date (*)	19-Nov-2026

Opportunity for Improvement # 2

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Corrective Action Plan (CAP)

Finding and Auditor Comment

Wages & Hours	
Wages and Benefits	
Severity	Moderate
Finding Code	O0717
Finding	The facility does not provide social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.
Auditor Comments	Insufficient social insurance participated. Total 47 employees hired by the facility, included 13 over-aged employees and 0 new hired employee in July 2026. Thus total 34 employees were eligibility for 5 types of social insurance, and 13 over-aged employees were eligibility for injury insurance in July 2026. Based on the social insurance records of July 2026, auditor found that 24 employees had participated in basic endowment insurance, injury insurance, unemployment insurance, basic medical insurance, and maternity insurance, 0 over-aged employee had participated in injury insurance, and other employees did not participated in social insurance. Remark: The facility provided commercial insurance to all other employees who did not participate in social insurance, the effected period from 22 September 2025 to 21 September 2026.

Applicable Laws

Law Section	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 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.
Law Section	Interim Provisions on Basic Rights and Interests Protection for Over-Aged Workers Article 15, Employers shall enroll over-age workers in work-related injury insurance and pay work-related injury insurance premiums; individuals shall not pay work-related injury insurance premiums. Where over-age workers suffer accident injuries or contract occupational diseases due to work, work-related injury recognition and labor capability appraisal shall be conducted in accordance with regulations, and the corresponding work-related injury protection benefits shall be enjoyed. The measures for work-related injury protection of over-age workers shall be formulated separately.

Facility Comments

Proposed Corrective Action	It was recommended that the facility should ensure all employees participate in the all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law.
Management Response	Agree the finding

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Corrective Action Plan (CAP)

Responsible Personnel	Mr. Su Liang
Expected Completion date	19-Nov-2026
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Opportunity for Improvement # 3

Finding and Auditor Comment

Health & Safety

Chemical and Hazardous Materials

Severity	Moderate
Finding Code	O0458
Finding	Chemicals or materials are not labeled as per label instructions/ MSDS.
Auditor Comments	No safety label for hazardous chemical. During facility tour, auditor found that there was no label for chemical (such as glue) using at handwork workshop on 2/F at production building.

Applicable Laws

Law Section	Regulation of Chemical Safety Usage in Workplace Article 12, The unit, which uses chemical, shall set up identification label for all chemicals in using. For dangerous chemical, a safety label shall be applied and MSDS be provided for worker.
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Facility Comments

Proposed Corrective Action	It is recommended that safety labels should be attached for all hazardous chemicals for identification.
Management Response	Agree the finding

Corrective Action Plan

Responsible Personnel	Mr. Su Liang
Expected Completion date	19-Nov-2026
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Opportunity for Improvement # 4

Finding and Auditor Comment

Management Systems

Management Systems

Severity	Minor
Finding Code	O0817

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Corrective Action Plan (CAP)

Finding	The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented.
Auditor Comments	As per WCA standard, the facility should establish an effective management system which clearly defines and documents policy and procedures to ensure compliance with applicable laws and program requirements. Finding regarding wages & hours section was found in the audit. Please refer to the related section for details.

Facility Comments

Proposed Corrective Action	The facility should ensure to implement the procedures per legal requirement.
Management Response	Agree the finding.

Corrective Action Plan

Responsible Personnel	Mr. Su Liang
Expected Completion date	17-Feb-2027
Agreed Completion Date (*)	17-Feb-2027

Opportunity for Improvement # 5

Finding and Auditor Comment

Management Systems	
Management Systems	
Severity	Minor
Finding Code	O0837
Finding	The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented.
Auditor Comments	As per WCA standard, the facility should establish an effective management system which clearly defines and documents policy and procedures to ensure compliance with applicable laws and program requirements. Finding regarding Chemicals management procedures section was found in the audit. Please refer to the related section for details.

Facility Comments

Proposed Corrective Action	The facility should ensure to implement the procedures per legal requirement.
Management Response	Agree the finding.

Corrective Action Plan

Responsible Personnel	Mr. Su Liang
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This report is just a preliminary result and to be used as a reference only. The final official results will be issued by the service provider in a secured file.

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