



# SMETA Corrective Action Plan Report (CAPR)

Version 6.1



## 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.

## 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 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](http://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](http://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).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000024270	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000028096	
Business name (Company name):	SiCuan Petrochemical YaShi Paper Co Ltd			
Site name:	SiCuan Petrochemical YaShi Paper Co Ltd			
Site address:	No. 912, Xiwang Road, Area A, Xinjin Industrial Park, Chengdu City, Sichuan Province chengdu 611430 CN	Country:	CN	
Site contact and job title:	Mr. Feng Hongming / QC manager			
Site phone:	028-61786868	Site e-mail:	zxl2192apcb@163.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-03-18			

Audit Company Name:
Eurofins China

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 Parameters						
Time in and time out	Day 1		Day 2		Day 3	
	In	08:50	In	08:40	In	08:30
	Out	17:30	Out	17:30	Out	12:30
Audit type:	FULL_INITIAL					
Was the audit announced?	ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Mr. Feng Hongming / QC manager					
Is further information available	No					

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	Yes
B: Present at the audit?	Yes	Yes	Yes
C: Present at the closing meeting?	Yes	Yes	Yes
<i>Reason for absence at the opening meeting</i>			
<i>Reason for absence during the audit</i>			
<i>Reason for absence at the closing meeting</i>			

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1	§1 §2	2	0	0	NC - ZAF600398951 NC - ZAF600398952
<u>6 - Working hours are not excessive</u>	6.1	§3	1	0	0	NC - ZAF600398953

## Local Law Issues


Issue	Description
§1	In accordance with Article 27 of the Regulation For Chemical Usage Safety in a Work Place: Staff and workers are entitled to receive: (1) Date and information describing specific characteristics, hazardous ingredients, and safety precaution marks for the chemicals to be used on the work premises, and instructions regarding safety techniques, etc. (2) Information concerning the probability of occurrence of harm against the safety and health of staff and workers caused by hazardous chemicals during their work process. (3) Training regarding safety techniques, including training with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles are to be in conformity with State stipulations.
§2	In accordance with the Regulation of Chemical Usage Safety in a Workplace, Article 14: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to be marked clearly with descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to affix a safety precautions mark on the new container. (2) The original safety precautions marked upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19: A unit shall, according to the danger of the chemical, identify the containing, transporting or storing of equipment with specific colors, labels or stickers.
§3	In accordance with the Labor Law of the People's Republic of China, Article 41: The employing unit may extend its work hours due to production or business requirements after consultation with the trade union and workers, but the extended work hours for a day shall generally not exceed 1 hour. If such an extension is called for due to special circumstances, the extended hours shall not exceed 3 hours a day provided that the health of workers is guaranteed. However, the total extension in a month shall not exceed 36 hours.

## Corrective Action Plan - Non Compliances

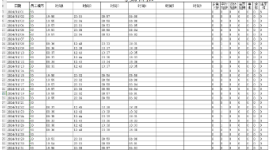
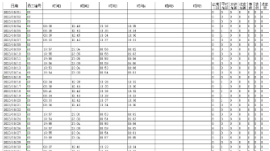
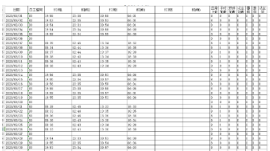


Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600398951	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	230 - No material safety data sheet (MSDS) obtained / available	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with Article 27 of the Regulation For Chemical Usage Safety in a Work Place: Staff and workers are entitled to receive: (1) Date and information describing specific characteristics, hazardous ingredients, and safety precaution marks for the chemicals to be used on the work premises, and instructions regarding safety techniques, etc. (2) Information concerning the probability of occurrence of harm against the safety and health of staff and workers caused by hazardous chemicals during their work process. (3) Training regarding safety techniques, including training with regard to prevention and control, and danger-avoiding methods, handling of emergency cases, or emergency measures. (4) Labor protection articles are to be in conformity with State stipulations.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	It was noted that no MSDS (Material Safety Data Sheet) for the use of chemicals, such water-based glue, was provided for the workers' acknowledgement.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days	

	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The facility is advised to provide a MSDS at the place of use and storage of its chemicals for the workers' acknowledgement.	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600398952	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect	
Subcategory	Chemicals	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	<p>In accordance with the Regulation of Chemical Usage Safety in a Workplace, Article 14: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to be marked clearly with descriptions of these chemicals on the newly adopted container. As to those hazardous chemicals that have been transferred or loaded into a new container, it is necessary to affix a safety precautions mark on the new container. (2) The original safety precautions marked upon those containers that contain hazardous chemicals shall not be replaced before these containers have been cleansed. In accordance with the Regulation of Chemical Safety Usage in Workplace, Article 19: A unit shall, according to the danger of the chemical, identify the containing, transporting or storing of equipment with specific colors, labels or stickers.</p>	 <p><u>chemical without label.jpg</u></p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non-compliance	It was noted that no label had been attached to one chemical container for identification of the water-based glue used on 1F of production building in location 1.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days	

	<input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The facility is advised to attach labels to its chemical containers for identification.	

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
<b>Non-Compliance</b>		
Status	OPEN	
Reference	ZAF600398953	
Clause	6 - Working hours are not excessive	
Issue Title	480 - Overtime is not used responsibly i.e. extent, frequency and level of hours worked by individual workers and / or whole workforce are excessive	
Subcategory	Overtime	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with the Labor Law of the People's Republic of China, Article 41: The employing unit may extend its work hours due to production or business requirements after consultation with the trade union and workers, but the extended work hours for a day shall generally not exceed 1 hour. If such an extension is called for due to special circumstances, the extended hours shall not exceed 3 hours a day provided that the health of workers is guaranteed. However, the total extension in a month shall not exceed 36 hours.	 <a href="#">attendance record 24.1.png</a>
ETI code	6.1 - Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.	 <a href="#">attendance record 23.10.png</a>
Explanation to the non compliance	It was noted that the number of overtime hours exceeded the legal limits: a). 24 out of 26 sampled workers worked overtime that ranged from 44 to 46 hours per month in January 2024 (most current month), b). 26 out of 26 sampled workers worked overtime that ranged from 40 to 52 hours per month in October 2023 (random month), c). 26 out of 26 sampled workers worked overtime that ranged from 44 to 47 hours per month in August 2023 (random month); Remark: The total work hours of the sampled workers were 8 to 9 hours a day and 40 to 54 hours a week in the sampled months.	 <a href="#">attendance record 23.8.png</a>
Follow up method	<input checked="" type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days	

	<input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	The facility is advised to reduce their overtime hours to ensure they are within the legal standard/client requirements.	

## 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.

Auditor Team			
Lead Auditor:	Tracy Zhang	APSCA Number:	21704105
Additional Auditors:			
Date of declaration:	2024-03-20		

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.

Site Representation	
Full Name:	Mr. Feng Hongming
Title:	QC manager
Date of declaration:	2024-03-20
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):                      Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).                      The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

## 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=riPsbE0PQ52ehCo3lnq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

**[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)**

<https://www.surveymonkey.co.uk/r/BRTVCKP>