



# 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>	ZC416764749	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS416924072	
Business name (Company name):	Huai'an Sunshine Plastic Products Co Ltd			
Site name:	Huai'an Sunshine Plastic Products Co Ltd			
Site address:	Industrial concentration area of Boli town, Huai'an district, Huai'an City, Jiangsu Province 江苏省淮安市淮安区博里镇工业集中区 Huai'an 223225 CN	Country:	CN	
Site contact and job title:	Mr. Fan Benwei / Factory Manager			
Site phone:	18052785797	Site e-mail:	963282703@qq.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:	2023-11-02			

Audit Company Name:
SGS_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		
	In	09:00	In	09:00	
	Out	17:00	Out	13:00	
Audit type:	PERIODIC				
Was the audit announced?	SEMI_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. Fan Benwei / Factory 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	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	There was no trade union in the factory.		
Reason for absence during the audit	There was no trade union in the factory.		
Reason for absence at the closing meeting	There was no trade union in the factory.		

## 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 3.1 3.1 3.1	\$1 \$2 \$3 \$4	5	0	0	NC - ZAF600222339 NC - ZAF600222340 NC - 43f823ef-ea8e-4a0b-aab0-adab3861335f NC - e3a4151f-e1cc-43f2-ad64-93f8dcc59680 NC - aab3fcdf-4a24-4ec6-be1b-6fa2608c883a
<u>5 - Living wages are paid</u>	5.1	\$5	1	0	0	NC - ZAF600222341
<u>6 - Working hours are not excessive</u>	6.1	\$6	1	0	0	NC - ZAF600222342
<u>10B4 - Environment 4-pillar</u>	10.B4.1		1	0	0	NC - ZAF600222343

## Local Law Issues

Issue	Description
\$1	Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35 For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational medical examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational medical examination shall be assumed by the employer. Employers shall not assign employees who have not undergone the pre-job occupational medical examination to operations with exposure to occupational hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational medical examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labor contacts with employees who have not undergone the off-the-job occupational medical examination. The occupational medical examination shall be conducted by medical health institutions that has obtained the Medical Device Practice License....



§2	<p>Fire Prevention Law of the People's Republic of China (2019 Amendment), Article 11 For a special construction project as specified by the housing and urban-rural development authority under the State Council, the construction employer shall submit fire protection design documents to the housing and urban-rural development authority for review, and the housing and urban-rural development authority shall be responsible for review results according to the law. For a construction project other than one specified in the preceding paragraph, the construction employer shall provide fire protection design drawings and technical information as needed for construction when applying for a construction license or approval of the construction commencement report. Article 13 Where the housing and urban-rural development authority under the State Council requires that an application for fire protection final inspection of an as-built construction project should be filed, a construction employer shall file such an application with the housing and urban-rural development authority. For a construction project other than one specified in the preceding paragraph, the construction employer shall report for recordation to the housing and urban-rural development authority after final inspection, and the housing and urban-rural development authority shall conduct random inspection. Where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and any other construction project that is nonconforming as established by random inspection conducted under the law shall cease to be used.</p>
§3	<p>Regulation on the Quality Management of Construction Projects (2019 Revision), Article 16 After the construction project owner receives a project completion report, it shall organize the entities of design, construction, project supervision, etc. to conduct completion-based check and acceptance. The construction project for completion-based check and acceptance shall satisfy the following conditions: (1) The work included in the relevant design and stipulated in the contract must have been completed. (2) There must be complete technical archives and construction management materials. (3) There must be reports on into-spot tests of major construction materials, components, fittings and equipment used for the construction project. (4) There must be a quality conformity document as signed respectively by the entities of survey, design, construction, supervision, etc. (5) There must be a guarantee for the repair of construction project as signed by the construction entity. The construction project shall not be delivered for use unless it has passed the completion-based check.</p>
§4	<p>Regulations on Fire Prevention of Warehouse (1990) Article 18 Items stored in warehouse shall be sorted and stacked. The area of each stack shall not be larger than 100 square meters. The distance between the stacks is not less than 1 meter. The distance between the stack and the wall is not less than 0.5 meter. The distance between the stack and beam or pillar is not less than 0.3 meter. The width of the main passage in the warehouse is not less than 2 meters.</p>
§5	<p>Labor Law of the People's Republic of China (2018 Amendment) 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 5. Child-bearing.</p>



§6	Labor Law of the People's Republic of China (2018 Amendment), 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 a month shall not exceed thirty six hours.
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## Corrective Action Plan - Non Compliances

Non-Compliance		Evidence																									
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	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	No occupational health examinations for the workers which engaged in work with occupational disease hazards. Based on documents review and management interview, the factory did not provide occupational health examinations for the workers which engaged in work with occupational disease hazards, such as high frequency heating workshop, etc. 根据文件审核和管理访谈，工厂未给职业危害岗位员工提供职业健康检查，如高频热压车间等。	
Follow up method	<input type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input 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 factory should provide occupational health check to workers exposing to occupational disease harm. 工厂应按照法律要求定期对从事接触职业病危害作业的员工提供职业病检查。	

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Reference	ZAF600222341																													
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Issue Title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic																													
Subcategory	Benefits & Insurance																													
New or carried over?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Carried Over																													
Raised by audit	ZAA416928278																													
Resolved by audit	ZAA600032651																													
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	Labor Law of the People’s Republic of China (2018 Amendment) 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 5. Child-bearing.																													
ETI code	5.1 - Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.																													
Explanation to the non compliance	Factory did not provide five types of social insurance for some employees. Based on provided social receipts and roster, factory did not provide social insurance for some employees. There were 95 employees onsite in total (27 had reached retirement age), factory provided five types of social insurance for 36 employees (53%) , factory provided commercial accident insurance for the 60 employees. It was valid from Mar.01, 2023 to Feb.28, 2023. 工厂未给部分人员购买五险。根据工厂提供的社保缴费记录与花名册显示, 工厂未给部分员工缴纳社保																													



	。工厂共有员工95名（包括27名达到退休年龄的员工），工厂为其中36名员工（53%）提供了5项社保，工厂为60名员工提供商业保险。有效期为2023年3月1日至2024年2月28日。		
Follow up method	<input type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	Factory should provide five types of social insurance for all age appropriate workers. 工厂应给所有适龄员工提供社保。		
Additional comments	<p>Factory did not provide five types of social insurance for some employees. Based on provided social receipts and roster, factory did not provide social insurance for some employees. There were 95 employees onsite in total (27 had reached retirement age), factory provided five types of social insurance for 36 employees (53%), factory provided commercial accident insurance for the 60 employees. It was valid from Mar.01, 2023 to Feb.28, 2024. 工厂未给部分人员购买五险。 根据工厂提供的社保缴费记录与花名册显示，工厂未给部分员工缴纳社保。工厂共有员工95名（包括27名达到退休年龄的员工），工厂为其中36名员工（53%）提供了5项社保，工厂为60名员工提供商业保险。有效期为2023年3月1日至2024年2月28日。</p> <p>Factory should provide five types of social insurance for all age appropriate workers. 工厂应给所有适龄员工提供社保。</p>		

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	<p>勤记录中分别从2022年12月、2023年 4月和2023年9月份各抽取了10个样本，具体如下： 1. 10名工人（涵盖所有生产岗位）在 2022年12月份（随机 月份）的月加班时间为80小时； 2. 10名工人（涵盖所有生产岗位）在 2023年4月份（随机月份）的 月加班时间为74小时； 3. 10名工人（涵盖所有 生产岗位）在 2023年9月份（当前月份）的月加班时间 为66小时。 这不符合法规（每月最大 36 小时，每日最大3小时）的要求。</p>		
Follow up method	<input type="checkbox"/> Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	<p>The factory should ensure all workers' monthly overtime hours comply with legal requirement. 工厂应保证员工的月加班时间符合法规要求。</p>		

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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	Based on document review, the factory provided the Fire Safety Certificate of a 3-story building, a 2-story factory building and a 1-story warehouse, but did not provide the Fire Safety Certificate of a 1-story raw material warehouse (950m2, built in 2023). 根据文件审核, 工厂提供了一栋3层建筑, 一栋2层厂房, 一栋1层仓库的消防验收报告或, 但未提供一栋1层原料仓库的消防验收报告 (950m2, 建成时间2023年)。		
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit		
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Actions	The factory should obtain Fire Safety Certificate for all buildings. 工厂应提供所有建筑的消防验收报告。		

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The construction project for completion-based check and acceptance shall satisfy the following conditions: (1) The work included in the relevant design and stipulated in the contract must have been completed. (2) There must be complete technical archives and construction management materials. (3) There must be reports on into-spot tests of major construction materials, components, fittings and equipment used for the construction project. (4) There must be a quality conformity document as signed respectively by the entities of survey, design, construction, supervision, etc. (5) There must be a guarantee for the repair of construction project as signed by the construction entity. The construction project shall not be delivered for use unless it has passed the completion-based check.</td></tr><tr><td>ETI code</td><td>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. 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Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input 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 factory should obtain Building Structure Safety Certificate for all buildings. 工厂应提供所有建筑的竣工验收报告。

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## 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:	Lilan Li	APSCA Number:	32200483
Additional Auditors:			
Date of declaration:	2023-11-03		

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. Fan Benwei
Title:	Factory Manager
Date of declaration:	2023-11-03
<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>	
Nil	

# 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:

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[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=d3vYsCe48fre69DRgLY_2brg_3d_3d)**

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