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 re-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.
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 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: *(only available on Sedex System)*	ZC418266590	Sedex Site Reference: *(only available on Sedex System)*	ZS418301226
Business name (Company name):	Jiaxing Dehuan Plastic Industry Co Ltd		
Site name:	Jiaxing Dehuan Plastic Industry Co Ltd		
Site address:	浙江省嘉兴市海宁经济开发区长山路35号2号楼1楼 1st Floor, Building 2, No.35 Changshan Road, Haining Economic Development Zone, Jiaxing city, Zhejiang Province, China 嘉兴 314400 CN	Country:	CN
Site contact and job title:	YAO XueFeng / Manager		
SMETA Audit Pillars:	☑ Labour Standards	☑ Health and Safety (plus Environment 2-Pillar)	☐ Environment 4-pillar ☐ Business Ethics
Date of Audit:	2023-03-06		

Audit Company Name:
UL Responsible Sourcing

Audit Conducted By					
Affiliate Audit Company	☑	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	Combined Audit (select all that apply)			

Audit Parameters		
Time in and time out	Day 1	
	In	09:30
	Out	17:00
Audit type:	FULL_INITIAL	
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	YAO XueFeng / Manager	
Is further information available	Yes	

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	No Union		
Reason for absence during the audit	No Union		
Reason for absence at the closing meeting	No Union		

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non–Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1 3.1 3.1 3.1	§1 §2 §3	6	0	0	NC - ZAF600028463 NC - ZAF600028464 NC - ZAF600028465 NC - ZAF600028466 NC - ZAF600028467 NC - ZAF600028468
0B - Management systems and code implementation	0.B.4	§4	1	0	0	NC - ZAF600028469
5 - Living wages are paid	5.1	§5	1	0	0	NC - ZAF600028470
6 - Working hours are not excessive	6.3	§6	1	0	0	NC - ZAF600028471

Local Law Issues

Issue	Description
§1	Provisions on the Administration of Occupational Health at Work Sites (2021), Article 20
§2	PRC Work Safety Law (2002), Amendment (2021), Article 24
§3	PRC Law on Prevention and Control of Occupational Diseases (2002) Amendment (2018), Article 35
§4	(Regulation of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, Article 17)
§5	(Social Insurance Law of the People's Republic of China, Article 10, 23, 33, 44&53)
§6	(PRC Labor Act (1995), Article 41)

Corrective Action Plan - Non Compliances

Non-Compliance	Evidence

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Non-Compliance			
Status	OPEN		
Reference	ZAF600028463		
Clause	3 - Working conditions are safe and hygienic		
Issue Title	226 - Blocked access to electricity panels		
Subcategory	Electrical risk		
New or carried over?	☑ New	☐ Carried Over	
Root cause	☐ Training ☐ Costs ☐ Other	☑ System ☐ Lack of workers	
Root cause - Other			
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	Two out of five sampled electrical control panels are blocked by material in the production area. 生产区域5个抽样的电控箱中的2个被物料堵住。		
Follow up method	☐ Follow up audit	☑ Desktop audit	
Timescale	☐ Immediate ☐ 90 days ☐ 365 days	☑ 30 days ☐ 120 days ☐ Other	☐ 60 days ☐ 180 days
Actions	The facility is advised that all the electrical control panels should be unblocked. 建议工厂所有电控箱不应该被堵。		



control panel blocked.JPG

Non-Compliance	Evidence

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Non-Compliance	
Status	CLOSED
Reference	ZAF600028464
Clause	3 - Working conditions are safe and hygienic
Issue Title	214 - No evacuation plan or designated emergency exit route
Subcategory	Fire Safety - Fire alarms & Evacuation
New or carried over?	☑ New ☐ Carried Over
Resolved by audit	ZAA600005444
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
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	The evacuation direction sign is missing in the injection section, packing section and finished product warehouse. 注塑车间，包装车间和成品仓库缺少地面疏散指示标识。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to provide evacuation direction sign for all the production area. 建议工厂给所有生产区域提供地面疏散指示标识。
Additional comments	Evacuation signs posted Corrective action is accepted.



missing evacuation direction sign.JPG

Non-Compliance	Evidence

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Non-Compliance		
Status	OPEN	
Reference	ZAF600028465	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	288 - First aid boxes not available / accessible in certain areas	
Subcategory	First Aid / Accidents	
New or carried over?	☑ New	☐ Carried Over
Root cause	☐ Training ☐ Costs ☐ Other	☑ System ☐ Lack of workers
Root cause - Other		
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	The first aid kit is missing in the packing section. 包装区域缺少急救药箱。	
Follow up method	☐ Follow up audit	☑ Desktop audit
Timescale	☐ Immediate ☐ 90 days ☐ 365 days	☐ 30 days ☐ 120 days ☐ Other ☑ 60 days ☐ 180 days
Actions	The facility is advised to provide first aid kit for the packing section. 建议工厂给包装区域提供急救药箱。	

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600028466
Clause	3 - Working conditions are safe and hygienic
Issue Title	151 - No health and safety risk assessment conducted
Subcategory	Health & Safety Management
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	Provisions on the Administration of Occupational Health at Work Sites (2021), Article 20
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	The facility did not conduct the annual occupational hazard factor monitoring in 2022. The high noisy existed in the crushing section. 工厂在2022年没有进行职业病危害因素年度检测。碎料车间存在高噪音。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to conduct occupational factor monitoring annually. 建议工厂每年进行职业病危害因素检测。

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600028467
Clause	3 - Working conditions are safe and hygienic
Issue Title	147 - No / inadequate health and safety committee or representative(s) as required by law
Subcategory	Health & Safety Management
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	PRC Work Safety Law (2002), Amendment (2021), Article 24
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	The facility did not have a certificated health and safety management personnel. 工厂没有有资质的健康安全管理人员。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to have a certificated health and safety management personnel. 建议工厂有一名有资质的健康安全管理人员。

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	OPEN
Reference	ZAF600028468
Clause	3 - Working conditions are safe and hygienic
Issue Title	317 - No medical examinations / regular occupational health checks including disease checks of workers in hazardous situations (e.g. noise / chemicals / dust)
Subcategory	Worker Health
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	PRC Law on Prevention and Control of Occupational Diseases (2002) Amendment (2018), Article 35
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	The facility did not conduct pre-service, in-service and job leaving occupational health check for employees who are exposed to high noisy 工厂没有给接触噪音的员工提供岗前，在岗和离岗职业病体检。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to provide pre-service, on-service and job-leaving occupational health check for the employees who contact hazardous factor. 建议工厂给接触职业危害因素的员工提供岗前，在岗和离岗职业病体检。

Non-Compliance	Evidence

[Back to findings summary]

Non-Compliance	
Status	CLOSED
Reference	ZAF600028469
Clause	0B - Management systems and code implementation
Issue Title	33 - Business premises are informal and not registered (law enforcement or other agencies would find it difficult to locate the business)
Subcategory	Site's licenses & Certifications
New or carried over?	☑ New ☐ Carried Over
Resolved by audit	ZAA600005444
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	(Regulation of the People's Republic of China for Controlling the Registration of Enterprises as Legal Persons, Article 17)
ETI code	0.B.4 - Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.
Explanation to the non compliance	The business license is not updated. As per the provided business license, the address is 1st Floor, Building 2, No.35 Changshan Road, Haining Economic Development Zone, Jiaxing, Zhejiang province. However, the actual address is 1st Floor and 2nd floor, Building 2, No.35 Changshan Road, Haining Economic Development Zone, Jiaxing, Zhejiang province. 营业执照地址没有更新。根据提供的营业执照，浙江省嘉兴市海宁经济开发区长山路35号，2号楼1楼。实际地址是浙江省嘉兴市海宁经济开发区长山路35号，2号楼1楼和2楼。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☑ 30 days ☐ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to update the business license to the current location. 建议工厂更新营业执照的地址至当前地址。
Additional	Updated to the latest address



business license.JPG

comments	Corrective action is accepted.

Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600028470
Clause	5 - Living wages are paid
Issue Title	424 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - isolated
Subcategory	Benefits & Insurance
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	(Social Insurance Law of the People's Republic of China, Article 10, 23, 33, 44&53)
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	There are totally 7 employees in the facility. Except for 3 retire employees, 4 employees should be provided with five kinds of social insurance. As per the facility management, the facility did not provide retirement insurance, medical insurance, bearing insurance, unemployment insurance and work-related injury insurance to any employees. The facility provides commercial injury insurance to all the employees. 工厂有7名员工。除去3名退休人员，工厂有4名员工需要缴纳五项社会保险。根据工厂管理人员所述，工厂没有给任何员工提供养老保险，医疗保险，生育保险，失业保险和工伤保险。工厂给所有员工提供了商业意外险。
Follow up method	☐ Follow up audit ☑ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised to provide five kinds of social insurance to all the employees. 建议工厂给所有员工提供五项社会保险。

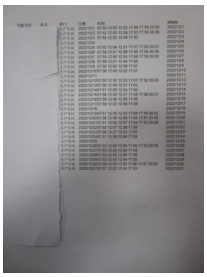


business license.JPG

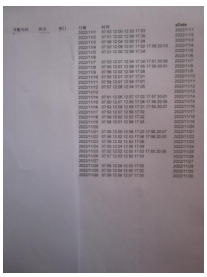
Non-Compliance	Evidence

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Non-Compliance	
Status	OPEN
Reference	ZAF600028471
Clause	6 - Working hours are not excessive
Issue Title	469 - Working hours exceed what is allowed by law or collective bargaining agreement - systemic
Subcategory	Excessive hours
New or carried over?	☑ New ☐ Carried Over
Root cause	☐ Training ☑ System ☐ Costs ☐ Lack of workers ☐ Other
Root cause - Other	
Local law issue	(PRC Labor Act (1995), Article 41)
ETI code	6.3 - All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
Explanation to the non compliance	As per the provided time records from November 2022 and December 2022, all the sampled employees' monthly overtime exceeds 36 hours. The maximum monthly overtime is 50 hours and 64 hours in November 2022 and December 2022. 根据提供的2022年11月和12月，所有抽样员工的月加班时间超过36小时。2022年11月和12月的最大月加班时间分别是50小时和64小时。
Follow up method	☑ Follow up audit ☐ Desktop audit
Timescale	☐ Immediate ☐ 30 days ☑ 60 days ☐ 90 days ☐ 120 days ☐ 180 days ☐ 365 days ☐ Other
Actions	The facility is advised that monthly overtime should be within 36 hours. 建议工厂月加班时间控制在36小时之内。



time record-12.JPG



time record-11.JPG

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:	Weiping Zhao	APSCA Number:	21702604
Additional Auditors:			
Date of declaration:	2023-03-06		

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:	YAO XueFeng
Title:	Manager
Date of declaration:	2023-03-06
Comments:	

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

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=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

Click here for Supplier (B) members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

Click here for Auditors:

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