

SMETA

SMETA Corrective Action Plan Report (CAPR)

Version 6.1



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付志明

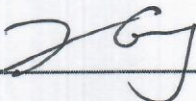
Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1056923	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1083913
Business name (Company name):	Shandong Tianli Pharmaceutical Co., Ltd. 山东天力药业有限公司		
Site name:	Shandong Tianli Pharmaceutical Co., Ltd. 山东天力药业有限公司		
Site address: <i>(Please include full address)</i>	South of Anshun Street and West of Xingyuan Road, Gucheng Subdistrict Office, Shouguang City, Shandong Province, China 中国山东省寿光市古城街道办事处驻地安顺街南、兴源西路西侧	Country:	China
Site contact and job title:	Mr. Jiming Fu / Admin manager		
Site phone:	86-536-2238341	Site e-mail:	15963689189@163.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar
			<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	10 th to 12 th August 2021		

Audit Company Name & Logo: 	Report Owner (payer): Shandong Tianli Pharmaceutical Co., Ltd.
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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 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.



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.

Any exceptions to this must be recorded here (e.g. different sample size): None

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Manmay Gong (CSCA 21700265)

Team auditor: None

Interviewers: Manmay Gong (CSCA 21700265)

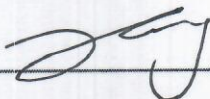
Report writer: Manmay Gong (CSCA 21700265)

Report reviewer:

Date of declaration: 12th August 2021

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.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

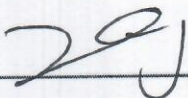
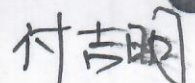


Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:30 Day 1 Time out: 17:30	Day 2 Time in: 09:00 Day 2 Time out: 17:30	Day 3 Time in: 08:40 Day 3 Time out: 12:50
B: Number of auditor days used:	2.5 (1 auditor in 2.5 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial-Other If other, please define: N/A		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi - announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not The facility had not completed the SAQ and made it available for review.		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause N/A. The facility had not completed the SAQ and made it available for review.		
G: Who signed and agreed CAPR (Name and job title)	Mr. Jiming Fu / Admin manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A. This was a full initial audit.		
J: Previous audit type:	N/A. This was a full initial audit.		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives
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	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	N/A. The worker representative was presented.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	N/A. There was no union in the facility.		

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.

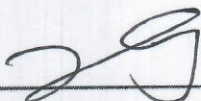
Root cause (see column 4)

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).



Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7	New or Carried Over Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding	Details of Non-Compliance Details of Non-Compliance	Root cause (completed by the site)	Preventive and Corrective Actions Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)	Timescale (Immediate, 30, 60, 90, 180, 365)	Verification Method Desktop / Follow-Up [D/F]	Agreed by Management and Name of Responsible Person: Note if management agree to the non-compliance, and document name of responsible person	Verification Evidence and Comments Details on corrective action evidence	Status Open/Closed or comment
NC 1 3 Safety and Hygienic Conditions -1	New	The facility did not conduct evaluation on occupational hazard factors. During facility tour, auditor found that hazardous factors such as noise and dust existed in workshops such as mannitol, glucose, sorbitol, vitamin workshops. However, the facility could not provide evaluation report of occupational hazardous factors during past one year for review. 企业没有按要求进行职业危害因素检测。在现场巡查时, 审核员发现在生产车间 (如甘露醇, 葡萄糖, 山梨醇, 维生素车间) 存在职业危害因素 (如噪声和粉尘)。但是, 企业未能提供该作业场所过去一年前的职业危害因素监测报告供审阅。	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:	The facility will conduct evaluation on occupational hazards factors at least once a year, and keep the reports for review. Check evaluation report regularly to ensure legal requirements are followed.	60 days	Desktop	Yes. Mr. Jiming Fu /Admin Manager		

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<p>NC 2 3 Safety and Hygienic Conditions -2</p>	<p>New</p>	<p>No pre-post or post-job occupational health examination was provided to employees engaged in post with occupational disease hazards. During facility tour, auditors found that there were 28 employees (total 28 employees) were working with hazardous factor such as noise and dust in mannitol, glucose, sorbitol, vitamin workshops. However, no pre-post or annual occupational health examination reports which required by law for those 28 employees were provided for review. In addition, no post-job occupational health examination reports which required by law for resigned employees were provided for review.</p>	<p><input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input checked="" type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other - please give details:</p>	<p>The facility would arrange relevant employees to conduct occupational health examination. Check health examination report regularly to ensure legal requirements are followed.</p>	<p>30 days</p>	<p>Desktop</p>	<p>Yes. Mr. Jiming Fu /Admin Manager</p>	
<p>NC 3 3 Safety and Hygienic Conditions</p>	<p>New</p>	<p>No certificate of safety production knowledge and management skill for the principal in charge and persons for the management of</p>	<p><input checked="" type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers</p>	<p>The facility would arrange the principal in charge and persons for the management of</p>	<p>60 days</p>	<p>Desktop</p>	<p>Yes. Mr. Jiming Fu /Admin Manager</p>	

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-3		<p>of work safety in the facility. During document review, auditor found that the facility could not provide the certificate of safety production knowledge and management skill of the principal in charge and persons for the management of work safety for review. 企业主要负责人和安全管理人未取得安全生产知识/证书。在文件审核时，企业无法提供该企业主要安全生产和管理能力培训记录/证书供审阅。</p>	<p><input type="checkbox"/> Other - please give details:</p>	<p>work safety to attend the training and obtain relevant certificates according to legal requirements. Check certificates regularly to ensure legal requirements are followed.</p>					
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Corrective Action Plan - Observations				
Observation Number The reference number of the observation from the Audit Report, for example, Discrimination No.7	New or Carried Over Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding	Details of Observation Details of Observation	Root cause (completed by the site)	Any improvement actions discussed (Not uploaded on to SEDEX)
Environment 4-Pillar 10B4.1	New	Auditor found that the facility had not completed the SAQ and made it available for review. 审核员发现工厂没有完成SAQ，并将其提交审核。	The facility forgot to fill the information in Sedex system.	The facility would complete the SAQ in Sedex system as soon as possible.

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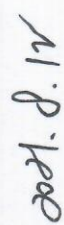
Good examples		
Good example Number The reference number of the good example from the Audit Report, for example, Discrimination No.7	Details of good example noted	Any relevant Evidence and Comments
5.1	Through management interview, employees' interview and document review, it was noted that the facility would top up food subsidy to for employees every month. 通过管理层访谈、员工访谈和文件审核，企业会每月提供伙食补贴给员工。	Management interview, employees' interview and document review

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Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:	Jiming Fu	Title: Admin Manager
B: Auditor Signature:	Manmay Gong 	Date: 12 th August 2021 Title: Auditor Date: 12 th August 2021 
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances:		
Nil		
E: Signed: (If any entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments:		

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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

[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>