

SMETA Corrective Action Plan Report (CAPR)

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

2-pillar audits include:

- Labour standards:
 - 0. Enabling accurate assessment
 - 1. Employment is freely chosen
 - 1.A. Responsible recruitment and entitlement to work
 - 2. Freedom of association and right to collective bargaining are respected
 - 4. Child labour shall not be used
 - 5. Legal wages are paid
 - 5.A. Living wages are paid
 - 6. Working hours are not excessive
 - 7. No discrimination is practiced
 - 8. Regular employment is provided
 - 8.A. Sub-contracting and homeworkers are used responsibly
 - 9. No harsh or inhumane treatment is allowed
- Health and safety:
 - 3. Working conditions are safe and hygienic
- Environment:
 - 10.A. Environment 2-pillar

4-pillar audits include, in addition to the above:

- Environment:
 - 10.B. Environment 4-pillar
- Business ethics:
 - 10.C. Business ethics

(2) Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

(3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit details

Site details

Sedex site reference	ZS1000094288	Site name	Chengde Yaou Nuts&Seeds Co Ltd
Business name	Chengde Yaou Nuts&Seeds Co.Ltd	Site address	Beiwushijazi Village, Beiwushijazi Town ,Pingquan City, Chengde City, Hebei P.R. China PingQuan CN 067500

Audit details

Sedex company reference	ZC405959660	Auditor company name	Centre Testing International Group Co Ltd.	
Audit company address	Room 101, Unit1, CTI Building, Xing Dong Community,, Xin'an Sub-district, Bao'an District,, Shenzhen, CN, 518101			
Date of audit	2025-12-23	Audit conducted by	Judie Xiao	
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics			
Time in and out	Day 1		Day 2	
	In	09:10	In	08:10
	Out	17:20	Out	12:10

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Audit type	Full initial
Was the audit announced?	Announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Ms.Ning Xiuzhi / HR Manager
Any conflicting information SAQ/Pre-Audit Info	No
Is further information available?	No

Audit attendance

	Senior management	Worker representative	Union representative
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 in the facility.		
Reason for absence during the audit	No union in the facility.		
Reason for absence at the closing meeting	No union in the facility.		

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

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.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size) Nil

Lead auditor	Judie Xiao	APSCA Number	21700135
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Additional auditor

Date of declaration	2025-12-24
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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Ms.Ning Xiuzhi
Title	HR Manager
Date of declaration	2025-12-24

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601243549
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601243548
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law Base code	NC ZAF601243547

Findings: non-compliances

ZAF601243549

Non-compliance

Due 2026-01-24

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

Time given to resolve

30 days

Issue title

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

Verification method

Desktop audit

Description

It was noted that no handrails were installed for three ladders used for observation on the dryer (About 90cm in height).

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the factory should add handrails to the ladders.

Local law reference

According to Safety of machinery - Permanent means of access to machines and industrial plants - Part 3: Stairways, stepladders and guard – rails GB17888.3 -2008:

Article 7.1.2, When the height exceeds 500 mm which might lead to fall, guardrail shall be installed.

Article 7.1.4, Stairways, stepladders and guard – rails: The minimum height of handrail should be 1,100 mm.

Article 7.1.5, The handrail should have at least one rail in the middle or other equivalent protection.

Article 7.2.1, The stairway should have at least one handrail. It all ladder and stairway with a width equal to and larger than 1200 mm shall have two handrails.

Evidence

[no handrail.jpg](#)

* PDF generated at 07:00 (UTC) on 25 Dec 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

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ZAF601243548

Non-compliance

Due 2026-02-23

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.

Time given to resolve

60 days

Issue title

423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic

Verification method

Follow up audit

Description

Through reviewing the social insurance payment receipt of December 2025, 55 out of 60 employees (5 employees were retiree who could not participate in social insurances) were eligible to participate in social insurances. It was noted that 30 employees did not participate in pension insurance, unemployment insurance, maternity insurance, medical insurance, work-injury insurance. Furthermore, the facility also bought commercial insurances for 50 employees (including employee not covered in social insurances & retiree) from 6 June 2025 to 5 June 2026.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility should ensure all employees participate in social insurance according to the Law.

Local law reference

According to the Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic endowment insurance, and the basic endowment insurance premiums shall be jointly paid by employers and employees.

Article 23 Employees shall participate in the basic medical insurance for employees, and the basic medical insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state. Article 33 Employees shall participate in the employment injury insurance, and the employment injury insurance premiums shall be paid by their employers rather than the employees.

Article 44 Employees shall participate in unemployment insurance, and the unemployment insurance premiums shall be jointly paid by employers and employees in accordance with the relevant provisions of the state.

Article 53 Employees shall participate in maternity insurance, and the maternity insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.

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Evidence

[social insurance.jpg](#)

* PDF generated at 07:00 (UTC) on 25 Dec 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601243547

Non-compliance

Due 2026-02-23

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.

Time given to resolve

60 days

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)

Verification method

Follow up audit

Description

It was noted that monthly overtime hours of 7 out of 10 randomly selected workers were 44 hours in October 2025 (current month), monthly overtime hours of 10 out of 10 randomly selected workers were 40-62 hours in August 2025 (random month) and 40-62 hours in March 2025 (random month).

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility should reduce the overtime hours to ensure it is within 36 hours per month.

Local law reference

According to the PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, 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 labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Evidence

[timerecords October 2025.jpg](#)

[timerecords March 2025.jpg](#)

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[timerecords August 2025.jpg](#)

* PDF generated at 07:00 (UTC) on 25 Dec 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

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Audit company:
Centre Testing International Group Co Ltd.

Audit reference:
ZAA600176035

Start Date:
2025-12-23

End Date:
2025-12-24

Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				

Not addressed

Fundamental improvements required

Some improvements recommended

Robust management systems

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	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly				
9. No harsh or inhumane treatment is allowed				
10.A. Environment 2-Pillar				
10.C. Business ethics				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

Guidance

The Corrective Action Plan Report (CAPR) 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/ non-conformances.

Good practice examples should be pointed out at the closing meeting as well as discussing non-compliances/ non-conformances (NCs) and corrective actions, Collaborative Action Required (CAR) findings and the Management Systems Assessment (MSA).

Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex members' e-learning platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex members' e-learning platform](#) for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a desktop review process via the Sedex platform or by follow-up audit.
5. Some NCs that cannot be closed off by desktop review may need to be closed off via a 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 NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous 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).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.
8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

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Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on management systems please refer to the Management Systems workbooks.

Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the base code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions.

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Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

For Suppliers

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from “open” to “in progress”. Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

For Buyers

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

For Auditors

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



For more information visit <https://www.sedex.com>

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