SMETA Corrective Action Plan Report (CAPR)

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	Edelmann Brazil Embalagens LTDA	
Site country:	Brazil	
Site name:	Edelmann Brazil Embalagens LTDA	
Parent Company name (of the site):	N/A	
SMETA Audit Type:	☐ 2-Pillar	☒ 4-Pillar
Date of Audit	October, 08th, 09th, 2015	

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 Best Practice Guidance Version 5 December 2015 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:
Please check appropriate SMETA Audit Type in the above box:

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
  - Management systems and code implementation,
  - Entitlement to Work and Immigration,
  - Sub-Contracting and Home working

4-Pillar SMETA Audit

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics

The new ETI Working Hours Clause

- Now integrated into this latest SMETA version.

Where appropriate non-compliances were raised against the ETI code / SMETA Additions and local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

Audit Company Name:	Report Owner (payee): *(If paid for by the customer of the site, please remove for Sedex upload)*
Sedex Company Reference: *(only available on Sedex System)*	**S:**
Sedex Site Reference: *(only available on Sedex System)*	**P:**

Audit Conducted By			
Commercial	☒	*Purchaser*	☐
NGO	☐	*Retailer*	☐
Trade Union	☐	*Brand Owner*	☐
Multi-stakeholder	☐	*Combined Audit (select all that apply)*	

Auditor Reference Number: *(If applicable)*	Not applicable

Audit Details

Audit Details		
A: Report #:	A4507702	
B: Time in and time out *(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)*	October 08th, 2015: Time in: 09:00 October 08th, 2015: Time out: 17:00	October 09th, 2015: Time in: 09:00 October 09th, 2015: Time out: 11:00
C: Number of Auditor Days Used: *(number of auditor x number of days)*	1 auditor x 1,5 day: 1,5 man day	
D: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow-up ☐ Partial Follow-Up ☐ Partial Other - Define	
E: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced	
F: Was the Sedex SAQ available for review?	☐ Yes ☒ No	
If **No**, why not? (*Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)*	Not applicable	
G; Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If **Yes**, please capture detail in appropriate audit by clause	
H: Auditor name(s) and role(s):	Mebur Bardini – CSR auditor	
I: Report written by:	Mebur Bardini	
J: Report reviewed by:		
K: Report issue date:	October 09th, 2015	
L: Supplier name:	Edelmann Brazil Embalagens LTDA	
M: Site name:	Edelmann Brazil Embalagens LTDA	
N: Site country:	Brazil	
O: Site contact and job title:	Daiana Maciel/Quality coordinator	

P: Site address: *(Please include full address)*	Avenida das indústrias, 715 – Distrito Industrial – Cachoeirinha/RS			
Site phone:	55 51 21081316			
Site fax:	55 51 21081316			
Site e-mail:	d.maciel@edelmannbrazil.com.br			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Business license (CNPJ): 07.117.852/0001-02 City license: 130352 Environmental license: 4777/2012 Fire License: PPCI 147/1			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacturing of corrugated paperboard			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR *(Name and job title)*	Daiana Maciel/Quality coordinator			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Luiz F. Albrecht - Company's director Daiana Maciel - Quality coordinator Maximiliano Alves - Technical supervisor Konrad K. – Director's assistant Roland W. – Plant manager Marisa S. – Sales manager Luis Henrique Oliveira – Human resources manager			
W: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	☐ Yes ☒ No			
Y: Previous audit date:	N/A			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other

	Full Initial	☐	☐	☐
	Periodic	☐	☐	☐
	Full Follow-Up Audit	☐	☐	☐
	Partial Follow-Up	☐	☐	☐
	Partial Other*	☐	☐	☐
	*If other, please define:			

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)

Note: it is not mandatory to complete this column at this time.

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)*	**Preventative 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*
3. Working Conditions are Safe and Hygienic	New	**Inicial audit – October 08th, 09th, 2015** **During the factory's inspection were evidenced 04 of 15 electrical panels without risk signalling**. Durante a inspeção na fábrica foram evidenciados 04 de 15 painéis elétricos sem a sinalização de risco.	**The company is replacing its electrical panels.** A empresa está substituindo seus painéis elétricos.	**The company must provide the risk's signaling in all electrical panels.** A empresa deve providenciar a sinalização de risco em todos os painéis elétricos.	**30 days** 30 dias	**Desktop** Desktop	**Yes** **Daiana Maciel/Quality coordinator** Sim Daiana Maciel/Coordenadora da qualidade	**Documents check** Análise documental	**Open** Aberto
3. Working Conditions are Safe and Hygienic	New	**Inicial audit – October 08th, 09th, 2015** **During the factory's inspection were evidenced 05 of 13 emergency exit doors with no signaling.**	**These emergency exit doors are new ones. The company will provide the signalling.**	**The company must provide the signalling in all emergency exit doors.**	**30 days**	**Desktop**	**Yes** **Daiana Maciel/Quality coordinator**	**Documents check**	**Open**

		Durante a inspeção na fábrica foram evidenciadas 05 de 13 saídas de emergência sem sinalização.	Estas saídas de emergência são novas. A empresa irá providenciar a sinalização.	A empresa deve providenciar a sinalização em as saídas de emergência.	30 dias	Desktop	Sim Daiana Maciel/Coordenadora da qualidade	Análise documental	Aberto
3. Working Conditions are Safe and Hygienic	New	**Inicial audit – October 08th, 09th, 2015** **During the factory's inspection it was evidenced the absence of MSDS sheet at chemical warehouse.**	**The company was unaware of this requirement.**	**The company must provide the MSDS's sheets at chemical warehouse.**	**60 days**	**Desktop**	**Yes** **Daiana Maciel/Quality coordinator**	**Documents check**	**Open**
		Durante a vistoria na fábrica foi evidenciada a ausência das FISPQs no depósito de produtos químicos.	A empresa desconhecia este requisito.	A empresa deve disponibilizar as FISPQs no depósito de produtos químicos.	60 dias	Desktop	Sim Daiana Maciel/Coordenadora da qualidade	Análise documental	Aberto
3. Working Conditions are Safe and Hygienic	New	**Inicial audit – October 08th, 09th, 2015** **During the document check it was evidenced the absence of evacuation plan.**	**The company is already providing the evacuation plan.**	**The company must provide the evacuation plan.**	**60 days**	**Desktop**	**Yes** **Daiana Maciel/Quality coordinator**	**Documents check**	**Open**
		Durante a análise documental foi evidenciada a ausência do plano de evacuação.	A empresa já está providenciado o plano de evacuação.	A empresa deve providenciar o plano de evacuação.	60 dias	Desktop	Sim Daiana Maciel/Coordenadora da qualidade	Análise documental	Aberto

3. Working Conditions are Safe and Hygienic	New	**Inicial audit – October 08th, 09th, 2015** **It was evidenced that electrical installations report is not completed.** Foi evidenciado que o Prontuário de Instalações Elétricas não está completo.	**The company is already providing the complete electrical report.** A empresa já está providenciando o prontuário das instalações elétricas completo.	**Management should provide the electrical installations report.** **A gerência deve providenciar o Prontuário de Instalações Elétricas.**	**30 days** 30 dias	**Desktop** Desktop	**Yes** **Daiana Maciel/Quality coordinator** Sim Daiana Maciel/Coordenadora da qualidade	**Documents check** Análise documental	**Open** Aberto
6. Working Hours are not Excessive	New	**Inicial audit – October 08th, 09th, 2015** **During the documental review it was evidenced that 03 out of 10 employees performed overtime hours above the limit of 10 daily hours in some situations:** **- Employee A performed 12:13 working hours on May 2, 2015;** **- Employee B performed 10:35 working hours on May 19, 2015;** **- Employee C performed 12:10 working hours on September 9, 2015.**	**The company will ensure that workday of employees do not exceed than 10 hours.**	**The company must ensure that workday of employees must not exceed than 10 hours.**	**60 days**	**Follow-up**	**Yes** **Daiana Maciel/Quality coordinator**	**Documents check**	**Open**

		Durante a análise documental foi evidenciado que 03 de 10 empregados ultrapassaram o limite de 10 horas diárias em algumas situações. - Funcionário A trabalhou 12h13min em 02.05.2015; - Funcionário B trabalhou 10h35 min em 19.05.2015; - Funcionário C trabalhou 12h10min em 09.09.2015.	A empresa irá garantir que a jornada de trabalho não exceda 10 horas diárias.	A empresa deve assegurar que as horas diárias de trabalho não ultrapassem o limite de 10 horas.	60 dias	Follow-up	Sim Daiana Maciel/Coordenadora da qualidade	Análise documental	Aberto
10B4. Environment 4–Pillar	New	**Inicial audit – October 08th, 09th, 2015** **During the factory's inspection it was evidenced that the solid waste warehouse isn't in compliance with the brazilian technical standard ABNT NBR 12335.** Durante a vistoria na fábrica foi evidenciado que a central de resíduos sólidos não está em conformidade com a norma técnica brasileira ABNT NBR 12.335.	**The company is already providing it.** A empresa já está providenciando isto.	**Company's solid waste warehouse must be in compliance with the brazilian technical standard NBR 12335.** A central de resíduos da empresa necessita estar em conformidade com a norma técnica brasileira ABNT NBR 12.335.	**60 days** 60 dias	**Desktop** Desktop	**Yes** **Daiana Maciel/Quality coordinator** Sim Daiana Maciel/Coordenadora da qualidade	**Documents check** Análise documental	**Open** Aberto

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)*

Good examples		
Good example Number *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**Details of good example noted**	**Any relevant Evidence and Comments**

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:		Title: *Daiana Maciel/Quality coordinator* Date *October 09th 2015*
B: Auditor Signature:		Title: *Mebur Bardini – CSR Auditor* Date *October 09th 2015*
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:*		
E: Signed: *(If any entry in box D, please complete a signature on this line)*		Title Date
F: Any other site 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.

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 A & AB members:
http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d

Click here for B members:
http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non conformance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.

For more information on Sedex please go to **www.sedexglobal.com**
or email **helpdesk@sedexglobal.com**