

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 & 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 following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & 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
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 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 and site details

Audit details

Sedex company reference	ZC5000009610	Auditor company name	Benchmarks Company Limited
Date of audit	2024-09-26	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS1000010252	Site name	HMJ Silicone Garment Accessories Co., Ltd Xinlongmeilian Garment
Business name	HMJ Silicone Garment Accessories Co., Ltd Xinlongmeilian Garment Accessories Company Limited	Site address	Accessories Company Limited 523900 Room 3/701, Honghui Science building, No.657 of dongguan fast ring (Houjie Section) Houjie Town, Dongguan City, CN
Site contact	Ms. Meng Caiying	Job title	HR Manager
Site phone	13642851300	Site email	sale1@hmjsiliconesticker.com xml_8688@163.com

Audit parameters

Time in and out	Day 1		Day 2	
	In	09:00	In	09:00
	Out	17:00	Out	13:00
Audit type	Full initial			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	Ms. Meng Caiying / 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	N/A. There was no union in the factory.		
Reason for absence during the audit	N/A. There was no union in the factory.		
Reason for absence at the closing meeting	N/A. There was no union in the factory.		

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. - 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. - 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	Ring Huang	APSCA Number	21700176
Additional auditor			
Date of declaration	2024-09-27		

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. Meng Caiying
Title	HR Manager
Date of declaration	2024-09-27

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	§1	NC ZAF600655478
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§2	NC ZAF600655479
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	§3	NC ZAF600655480

Local law issues

§1	In accordance with Regulation for Safety of Dangerous Chemical article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.
§2	In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury 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 disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease 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 child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
§3	In accordance with 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.

Findings: non-compliances

ZAF600655478

Non-compliance

Due 2024-11-07

Status	Open*
Code area	3 Working conditions are safe and hygienic
Workplace requirement	3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.
Issue title	240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbundled)
Area of non-compliance/non-conformance	Local law Base code
Local law reference	In accordance with Regulation for Safety of Dangerous Chemical article 20, The units producing, storing dangerous chemicals shall, according to the categories and hazardous characteristics of the dangerous chemicals they producing, storing, set up the corresponding safety facilities and equipments for monitoring, aeration, protection against exposure to sun, temperature adjusting, fireproof, fire fighting, flameproof, pressure discharging, prevention of toxicants, neutralization, moistureproof, protection against thunder, protection against static, antiseptis, prevention of leakage, protection dams or segregated operations, etc.. In addition, the units shall carry out maintenance and caring regularly according to the national standards, industrial standards or the relevant provisions of the State, thus to guarantee the safety operations of facilities and equipments.
Description	No prevention of leakage of chemicals. During factory tour, it was noted that the anti-leakage system (i.e. secondary containment) was not installed for the chemicals, such as white oil, used in workshop. 化学品储存没有防泄漏。 审核中发现，企业在车间使用的化学品(如白电油)没有设置防泄漏装置(二次容器)。
Corrective and preventative actions	It is recommended that facility should install the relevant safety facilities in workshop or warehouse for its dangerous chemical material used. 建议企业应当在车间及库房等作业场所设置相应的安全设施。
Time given to resolve	30 days
Verification method	Desktop audit

* PDF generated at 08:38 on 08 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Evidence



[No second container.JPG](#)



ZAF600655479

Non-compliance

Due 2024-12-07

Status	Open*
Code area	5 Legal wages are paid
Workplace requirement	5.B Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.
Issue title	423 - Compulsory insurance (e.g. social insurance, accident insurance etc.) not paid - systemic
Area of non-compliance/non-conformance	Local law Base code
Local law reference	In accordance with the PRC Labor Law article 72, employing unit and employees must participate in social insurance and pay social insurance premiums in accordance with the law; and according to Social Insurance Law of the People's Republic of China, Article 10 Employees shall participate in the basic retirement insurance, and the basic retirement insurance premiums shall be jointly paid by employers and employees. Article 23 Employees shall participate in the basic illness or injury insurance for employees, and the basic illness or injury 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 disability caused by work-related injury or occupational disease insurance, and the disability caused by work-related injury or occupational disease 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 child-bearing insurance, and the child-bearing insurance premiums shall be paid by employers rather than employees in accordance with the relevant provisions of the state.
Description	Insufficient social insurance participated. According to the social insurance payment receipt provided by factory management in August 2024, there were 68 employees in the factory, including 1 retired employee and no new employee, there were 14 out of 67 eligible employees (20.9%) had participated in basic retirement insurance, unemployment insurance, medical insurance, maternity insurance and disability caused by work-related injury insurance. Remark: The factory had bought commercial insurance related to accident for 58 employees (contract period from 3 November 2023 to 2 November 2024). 社会保险参保不足。 根据提供的2024年8月份社保收据，企业的68名员工中，除去1名退休员工，没有新员工，67名应参保员工中有14人（20.9%）参加了养老保险，失业保险，医疗保险，生育保险和工伤保险。 备注：工厂为58名员工购买了商业意外伤害保险。有效期为2023年11月3日至2024年11月2日。
Corrective and preventative actions	It is recommended that the facility shall ensure all employees participate in all 5 types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. 建议企业应保证所有员工均参加全部五种社会保险。
Time given to resolve	60 days
Verification method	Follow up audit

* PDF generated at 08:38 on 08 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Evidence



[Commercial insurance name list \(4\).jpg](#)



[Commercial insurance name list \(3\).jpg](#)



[Commercial insurance name list \(2\).jpg](#)



[Commercial insurance name list \(1\).jpg](#)



[Social insurances.JPG](#)



ZAF600655480

Non-compliance

Due 2024-12-07

Status	Open*
Code area	6 Working hours are not excessive
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.
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)
Area of non-compliance/non-conformance	Local law Base code
Local law reference	In accordance with 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.
Description	Monthly overtime hours exceeded the legal requirement (maximum 36 overtime hours per month). During document review, it was noted that sampled employees worked in excess of the statutory overtime hour limits. A review of attendance records for December 2023, March 2024 and July 2024 yielded the following: (1) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 72 hours) in December 2023. (2) 10 out of 10 sampled employees in excess of 36 overtime hours per month (i.e. maximum 72 hours) in March 2024. [Remark: The maximum monthly overtime hours of July 2024 were 32 hours.] 月加班时间超过法规要求（最高每月36小时）。 审核发现，抽样的员工加班时间超过了法定标准，抽样2023年12月、2024年3月和2024年7月的考勤发现： (1) 10/10名抽样员工的2023年12月加班时间超过了每月法定的36小时标准，最高为72小时。 (2) 10/10名抽样员工的2024年3月加班时间超过了每月法定的36小时标准，最高为72小时。 [2024年7月最高月加班工时是32小时。]
Corrective and preventative actions	It is recommended that the facility should ensure the overtime of workers be in accordance with the legal requirements. 建议企业应确保工作时间符合国家法律。
Time given to resolve	60 days
Verification method	Follow up audit

* PDF generated at 08:38 on 08 Oct 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

Evidence



[Time records of Mar 2024.JPG](#)



[Time records of Dec 2023.JPG](#)



Findings: good examples

No good examples

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

	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

Explanation for management systems grades

1. Employment is freely chosen	Policies and Procedures: There is a clear procedure for updating documentation according to changing requirements or situations. Resources: The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements. Communication and Training: Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training. Monitoring: Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.
1.A. Responsible recruitment and entitlement to work	Policies and Procedures: There is a clear procedure for updating documentation according to changing requirements or situations. Resources: The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements. Communication and Training: Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training. Monitoring: Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.
2. Freedom of association and right to collective bargaining are respected	Policies and Procedures: There is a clear procedure for updating documentation according to changing requirements or situations. Resources: The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements. Communication and Training: Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training. Monitoring: Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.
3. Working conditions are safe and hygienic	Policies and Procedures: There is a clear procedure for updating documentation according to changing requirements or situations. Resources: The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements. Communication and Training: Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training. Monitoring: Monitoring in place for the Base Code Area in general but some requirements are overlooked such that there is potential for minor NCs to arise over time.

4. Child labour shall not be used

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

5. Legal wages are paid

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Communications and/or training is not effective i.e., cannot be understood by key groups or individuals.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

6. Working hours are not excessive

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Major gaps in monitoring of procedures that does not ensure sufficient management of Workplace Requirements on an ongoing basis.

7. No discrimination is practiced

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

8. Regular employment is provided

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

8.A. Sub-contracting and homeworkers are used responsibly

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

9. No harsh or inhumane treatment is allowed

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

10.A. Environment 2-Pillar

Policies and Procedures:
There is a clear procedure for updating documentation according to changing requirements or situations.
Resources:
The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.
Communication and Training:
Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.
Monitoring:
Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

10.C. Business ethics

Policies and Procedures:

There is a clear procedure for updating documentation according to changing requirements or situations.

Resources:

The role(s) responsible for this Base Code Area requires the necessary skills and has the seniority to manage Workplace Requirements.

Communication and Training:

Training is conducted according to a documented plan/ procedure, which includes assessment and refresher training.

Monitoring:

Evidence of monitoring procedures and metrics collection defined by procedure and evidence of implementation available. Responsibilities for monitoring and targets or key performance indicators are defined and utilised.

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/ non-conformances.

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

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 "Desk-Top" review process via the Sedex Platform or by Follow-up Audit.
5. Some NCs that cannot be closed off by "Desk-Top" 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.

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. 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>