

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	ZC1027223	Auditor company name	GSCS International Ltd
Date of audit	2024-12-23	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS1028866	Site name	Eve Dress-Shirts' Limited
Business name	Eve Dress-Shirts' Limited	Site address	1341 Holding # 219, Anowar Jung Road, Ward # 05, Block # A, Ashulia Savar, Dhaka, Ashulia, Savar, Bangladesh, BD
Site phone	0088027741720	Site email	abrar.evegroup@gmail.com

Audit parameters

Time in and out	Day 1	
	In	09:20
	Out	17:10
Audit type	Full initial	
Was the audit announced?	Semi announced	
Was the Sedex SAQ available for review?	Yes	
Who signed and agreed CAPR?	Rajib Kumar Datta / Manager- Compliance, HR & Admin	
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	There was no union present in the facility. Facility has formed a workers participation committee and as per local law if facility forms a workers participation committee then union is not mandatory for them. However, senior management and worker representative was present in the opening meeting.		
Reason for absence during the audit	There was no union present in the facility. Facility has formed a workers participation committee and as per local law if facility forms a workers participation committee then union is not mandatory for them. However, senior management and worker representative was present during audit.		
Reason for absence at the closing meeting	There was no union present in the facility. Facility has formed a workers participation committee and as per local law if facility forms a workers participation committee then union is not mandatory for them. However, senior management and worker representative was present in the closing meeting.		

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)

None

Lead auditor

Akil Mahmud

APSCA Number

32200701

Additional auditor

Md. Tanvir Hasan Khan

APSCA Number

32200442

Md. Shamim Hossain

APSCA Number

32400342

Md Hasibul Haque

APSCA Number

32400343

Md. Mostafizur Rahman

APSCA Number

32200934

Date of declaration

2024-12-23

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	Rajib Kumar Datta
Title	Manager- Compliance, HR & Admin
Date of declaration	2024-12-23

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.M Ensure all machinery is installed, mainta...	§1	NC ZAF600766538
	3.H Where identified as necessary to reduce r...	§2	NC ZAF600766539
	3.L Implement effective processes to manage f...	§3	NC ZAF600766540
	3.L Implement effective processes to manage f...	§4	NC ZAF600766541
	3.L Implement effective processes to manage f...	§5	NC ZAF600766542
	3.L Implement effective processes to manage f...	§6	NC ZAF600766545
	3.L Implement effective processes to manage f...	§7	NC ZAF600766548
5. Legal wages are paid	5.H Comply with all other applicable laws tha...		GE ZAF600766543
5.A. Living wages are paid	5.A.B Put in place a wage improvement plan th...		NC ZAF600766544
10.A. Environment 2-Pillar	10.A.B Comply with relevant local, regional a...	§8	NC ZAF600766546
	10.A.B Comply with relevant local, regional a...	§9	NC ZAF600766547

Local law issues

§1	The Bangladesh Energy Regulatory Commission Act, 2003, Section 27 (1): (1) No person shall engage himself in the following business unless he is empowered by a license or exempted from having it under this Act or any other Act, such as:- (a) power generation; (b) energy transmission; (c) energy distribution and marketing; (d) energy supply; and (e) energy storage.
§2	In Accordance with Bangladesh Labour Rule 2015, Rule 67 (1&2): In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. 3) No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be preserved in accordance with Information Form-23.
§3	The National Building Code 2020, Part IV, Chapter 4, Clause 4.2: General area of application shall be Fire class A. Fixed type fire hydrant system comprises of, stand pipes and hose or reel pipes, sprinklers, drenchers or similar devices in appropriate combinations of these and capable of discharging water in an area which to be extinguish.
§4	In accordance with Bangladesh Labour Law 2006, Section 62 (5): (5) In every establishment, the clearly audible whistle shall be provided to alarm every worker employed therein in case of fire or danger.
§5	In Accordance with The Bangladesh Labour Rules 2015, Rule 55 (10): If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellent instruments. And the security has to be ensured by dividing the trained workers into fire-fighting team, rescue team and first aid team (6% members in each team) and the records related herewith have to be preserved in accordance with Form- 22."
§6	In accordance with the Bangladesh Labour Act, 2006, Section 62 (6): A free passage-way giving access to each way of exit in case of fire shall be provided for the use of the workers in every room of the establishment.
§7	In accordance with Bangladesh National Building Code 2020, Part- 04, Section-4.6.1 (b): The installation of automatic fire and smoke detection system shall be a necessity when the size, arrangement and occupancy of a building become such that a fire itself cannot provide adequate warning to its occupants
§8	The Bangladesh ECR 2023 Rule 6 (4): Green, Yellow, Orange and Red class new industrial establishments will not be able to start trial production or projects without obtaining environmental clearance.
§9	In accordance with The Bangladesh ECR 2023 Rule 21 (1): Each Environmental Clearance Certificate shall have to be renewed at least thirty days before expiry of its validity period.

Findings: non-compliances

ZAF600766538

Non-compliance

Due 2025-02-08

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

267 - No/inadequate certificates for inspections of machinery, or machines not registered as required by law

Verification method

Desktop audit

Description

It was noted through document review and management interview that the facility has four generators with capacity of (1000, 400, 198, 320) Kw but the facility did not have generator license of 1000 kw. however the facility have applied for the license on 17.01.2023

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility shall obtain generator license from the concerned authority.

Local law reference

The Bangladesh Energy Regulatory Commission Act, 2003, Section 27 (1): (1) No person shall engage himself in the following business unless he is empowered by a license or exempted from having it under this Act or any other Act, such as:- (a) power generation; (b) energy transmission; (c) energy distribution and marketing; (d) energy supply; and (e) energy storage.

Evidence

[Application_Diesel Generator.pdf](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766539

Non-compliance

Due 2025-02-08

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

277 - Workers are not issued with Personal Protective Equipment, or it is not appropriate to the risk - isolated

Verification method

Desktop audit

Description

It was noted through facility tour that in the buidling-1 in the Fusing section 2 out of 4 fusing operators were using torn PPE.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility management should ensure all the workers are using appropriate PPE(s) during work.

Local law reference

In Accordance with Bangladesh Labour Rule 2015, Rule 67 (1&2): In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. 3) No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be preserved in accordance with Information Form-23.

Evidence

[torn ppe.JPG](#)

[PPE torn.JPG](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766540

Non-compliance

Due 2025-02-08

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Time given to resolve

30 days

Issue title

189 - Inadequate hose reel installation and maintenance

Verification method

Desktop audit

Description

During floor visit it was observed that the hydrant pump was found non functional due to renovation. Note that renovation work started from 1 week back and the facility management stated that it will be completed with in 10 days.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that facility should ensure proper fire hydrant system in all over the premises.

Local law reference

The National Building Code 2020, Part IV, Chapter 4, Clause 4.2: General area of application shall be Fire class A. Fixed type fire hydrant system comprises of, stand pipes and hose or reel pipes, sprinklers, drenchers or similar devices in appropriate combinations of these and capable of discharging water in an area which to be extinguish.

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766541

Non-compliance

Due 2025-03-10

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Issue title

191 - Fire fighting equipment signage/labelling, instructions are not sufficient in detail, language, etc.

Description

It was observed through the facility tour & management interview that the factory did not install PA system in the fabric store located at building 3,

Corrective and preventative actions

It is recommended that the factory should install PA system in the mentioned area.

Local law reference

In accordance with Bangladesh Labour Law 2006, Section 62 (5): (5) In every establishment, the clearly audible whistle shall be provided to alarm every worker employed therein in case of fire or danger.

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law
Base code

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766542

Non-compliance

Due 2025-02-08

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Issue title

180 - No sufficiently trained person appointed to oversee fire safety, fire prevention and fire evacuation procedure (e.g. 'fire marshal') as required by law

Description

It was noted through site tour, documents review and management interview that the factory has 280 trained fire fighters, rescuers and first aiders trained from Bangladesh Fire Service and Civil Defence (BFSCD). where the factory required 322 fire fighters, rescuers and first aiders considering the factory manpower 1790. Noted that, facility applied for new batch training on 19.12.2024 to the concern authority.

Corrective and preventative actions

It is recommended that the factory management should ensure required number of firefighters, rescuers & first aiders trained from the respective authority

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law
Base code

Local law reference

In Accordance with The Bangladesh Labour Rules 2015, Rule 55 (10):If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellent instruments. And the security has to be ensured by dividing the trained workers into fire-fighting team, rescue team and first aid team (6% members in each team) and the records related herewith have to be preserved in accordance with Form- 22."

Evidence

[Applied for Fire training Eve.pdf](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766544

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

Workplace requirement

5.A.B Put in place a wage improvement plan that aims to pay workers a living wage within a stated timeframe.

Time given to resolve

Verification method

Collaborative action required

Issue title

905 - CAR: A wage improvement plan (with Living Wage as the goal) has not been completed

Area of non-compliance/non-conformance

Base code

Description

It was noted through documents review and management interview that facility conducted living wage calculation on the worker. But facility did not have improvement plan to meet the worker living wage.

Corrective and preventative actions

It is recommended that facility should conduct living wage gap analysis and make improvement plan to meet the worker living wage.

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766545

Non-compliance

Due 2025-02-08

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Issue title

207 - Isolated or partial occurrence of blocked fire exits causing an elevated but not significant risk

Description

It was noted through facility tour that approximate 5% workers were blocked by cut panel goods in the sewing section located at the ground floor of building 1.

Corrective and preventative actions

It is recommended that the facility shall ensure all the workers are free from any obstruction in the mentioned area.

Local law reference

In accordance with the Bangladesh Labour Act, 2006, Section 62 (6): A free passage-way giving access to each way of exit in case of fire shall be provided for the use of the workers in every room of the establishment.

Evidence

[Workers blocked.JPG](#)

[bf3340aa-895b-4a64-8062-9caacddee861.JPG](#)

[4ad6a77c-bbd6-43dc-a892-b91ce5a49310.JPG](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766546

Non-compliance

Due 2025-02-08

Code area

10.A Environment 2-Pillar

Workplace requirement

10.A.B Comply with relevant local, regional and national laws or regulations, and have the correct documentation or permits, including for resource use (e.g. water, energy, material) and waste disposal.

Issue title

598 - The site does not have all legally required permits for use and/or disposal of resources (e.g. energy, water, air emissions, waste etc.)

Description

It was noted through documents review that the facility did not have any Environmental Clearance Certificate (ECC) for Captive power plant from concerned authority. Note that the facility have applied for the license on 26.01.2023.

Corrective and preventative actions

It was recommended that the facility should obtain Environmental Clearance Certificate (ECC) from the concern authority.

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Local law reference

The Bangladesh ECR 2023 Rule 6 (4): Green, Yellow, Orange and Red class new industrial establishments will not be able to start trial production or projects without obtaining environmental clearance.

Evidence

[APPLICATION FORM _ ECC_ 144927.pdf](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766547

Non-compliance

Due 2025-02-08

Code area

10.A Environment 2-Pillar

Status

Open*

Workplace requirement

10.A.B Comply with relevant local, regional and national laws or regulations, and have the correct documentation or permits, including for resource use (e.g. water, energy, material) and waste disposal.

Time given to resolve

30 days

Issue title

606 - Environmental certifications or environmental management systems documentation were not available to review

Verification method

Desktop audit

Description

It was noted through documentation review and management interview that the facility did not have Environment Clearance Certificate (ECC) for Captive Power Plat (CPP). However, the facility already applied for the license.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility shall collect the renewed Environmental Clearance Certificate (ECC) for Captive Power Plat (CPP) from the concerned authority as soon as possible.

Local law reference

In accordance with The Bangladesh ECR 2023 Rule 21 (1): Each Environmental Clearance Certificate shall have to be renewed at least thirty days before expiry of its validity period.

Evidence

[CPP all updated application.pdf](#)

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600766548

Non-compliance

Due 2025-02-08

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.L Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.

Time given to resolve

30 days

Issue title

192 - Absence of functional fire alarms/smoke detectors

Verification method

Desktop audit

Description

During floor visit and management it was observed that the Fire alarm system was non functional due to renovation. Note that the facility have started the work back 1 week and they have stated that it will be completed with in 10 days

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the factory management should install the alarming system throughout the factory.

Local law reference

In accordance with Bangladesh National Building Code 2020, Part- 04, Section-4.6.1 (b): The installation of automatic fire and smoke detection system shall be a necessity when the size, arrangement and occupancy of a building become such that a fire itself cannot provide adequate warning to its occupants

* PDF generated at 10:33 (UTC) on 09 Jan 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Findings: good examples

ZAF600766543

Good example

Code area

5 Legal wages are paid





































Workplace requirement


5.H Comply with all other applicable laws that impose conditions on Code Area 5.


Description


Facility Provides Attendance Bonis BDT 1000 to the all worker as per factory policy.


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

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>