



Sedex Members Ethical Trade Audit

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

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- (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	ZC405183453	Auditor company name	Eurofins South Asia
Date of audit	2024-11-20	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS405209569	Site name	KnitStudioLimited
Business name	KnitStudio Limited	Site address	1704 460/1, Shaheed Siddque Road, North Khailkur, National University, Gazipur, Gazipur, BD
Site phone	8801713453595	Site email	knitstudio1@gmail.com

Audit parameters

Time in and out	Day 1
In	08:40
Out	17:00
Audit type	Full initial
Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Md. Syfolla / Manager (Admin, HR and Compliance)
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	The facility did not have any onsite trade union and it was not mandated by law.		
Reason for absence during the audit	The facility did not have any onsite trade union and it was not mandated by law.		
Reason for absence at the closing meeting	The facility did not have any onsite trade union and it was not mandated by law.		

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)

Not Applicable

Lead auditor

Md. Mahmudur Rahman Shovon

APSCA Number

21701562

Additional auditor

Md. Tarek Hossain

APSCA Number

21705694

Faysal Dewan

APSCA Number

32400089

Date of declaration

2024-11-20

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	Md. Syfolla
Title	Manager (Admin, HR and Compliance)
Date of declaration	2024-11-20

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... 3.N Maintain a log of all hazardous substance... 3.N Maintain a log of all hazardous substance... 3.R Provide clean and secure toilets, wash ar...	§1 §1 §1 §2	NC ZAF600710419 NC ZAF600710420 NC ZAF600710421 NC ZAF600710422
9. No harsh or inhumane treatment is allowed	3.M Ensure all machinery is installed, mainta... 9.C Implement, adopt and communicate to all w...	§3 §4	NC ZAF600710424 NC ZAF600710423
5. Legal wages are paid	9.E Ensure appropriate training for workers a... 5.A Ensure that all workers (including non-em...	§4 §5	NC ZAF600710425 NC ZAF600710426

Local law issues

- §1 Bangladesh Labour Rules, 2015, Rule: 68 (10): The owner shall place Material Safety Data Sheet (MSDS) of dangerous materials in an easily noticeable place so that the employed worker can be well informed about the possible hazards.
- §2 Bangladesh Labour Rules 2015, Rule 87(1):
 1) The Owner of the institute where more than 100 (one hundred) workers are employed shall arrange a canteen for the workers, facilitating adequate space for minimum 10% of total number of workers.
 However, if the aforesaid canteen can accommodate 30% of the total workers for having meals, the Owner is not obliged to arrange a separate meal room as per Section 93.
- Bangladesh Labour Rules 2015, Rule 92 (a): The Dining Room must accommodate at least 15% of total workers.
- §3 Bangladesh Boiler Act 2022 chapter 5, 18 (1)
 18 (1). Obtaining registration and certificate for use of boilers. (1) Any within Bangladesh Boiler use should be registered in the office of the Chief Boiler Inspector.
- §4 Bangladesh Labour Law, 2006, Section-123 (1):
 (1) The wages of every worker shall be paid before the expiry of the seventh day after the last day of the wage period in respect of which the wages are payable.
- §5 Bangladesh Labor rules 2015, rule 29: Punishment for the misconduct: (1) If the owner or any officer authorized by him/her seeks any kind of explanation as per the item (b) of the subsection (1) of the section 24 for verifying whether any behavior of the worker is misconduct or not and the response of the worker is satisfactory- (a) it seems the dispute has been disposed and this won't make any impact in the next of the job of the workers; (b) isn't satisfactory the owner will direct the manager or any officer authorized by him to complete the investigation procedures after forming an investigation committee and submit the report to him within 60 (sixty) days. (2) The said investigation committee will be formed comprising maximum 6 members. (3) The investigation committee can form sub-committees. (4) The report of the sub-committee will be submitted to the investigation committee for the finalization. (5) The investigation committee will forward the investigation report to the authority for necessary decision. (6) In the committee, the representative of the owner will be appointed from the factory or firm by the owner or any officer authorized by him. (7) The representative of the worker will be nominated in the investigation committee from the workers engaged in the factory or firm subject to the written proposal of the worker charged. Provided that anyone below the position of the worker charged can't be nominated as the representative: Also provided that if allegations are made against any worker or employee under the items (b) & (g) of the sub-section (4) of the section 23, the charged worker or employee can nominate any member of the trade union of the firm (if any) or if there is no trade union, any labor representative of the participating committee as his representative. (8) Conducting any procedure with a view to realize the legal arrears of the workers without making any hindrance to the production or daily activities of the firm and damaging properties of the firm, won't be considered as indiscipline mentioned in the item (f) of the sub-section (4) of the section 23.

Findings: non-compliances

ZAF600710419

Non-compliance

Due 2025-01-24

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

230 - No material safety data sheet (MSDS) obtained/available

Description

Based on the plant tour and management interview, facility management did not provide MSDS for thinner, machine oil, and burnt mobile located in the maintenance room (1st floor of building 2).

Corrective and preventative actions

It is recommended that facility should ensure proper MSDS at the mentioned areas.

Local law reference

Bangladesh Labour Rules, 2015, Rule: 68 (10): The owner shall place Material Safety Data Sheet (MSDS) of dangerous materials in an easily noticeable place so that the employed worker can be well informed about the possible hazards.

Evidence

[Finding -NO MSDS found for chemicals..JPG](#)

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710420

Non-compliance

Due 2025-01-24

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

232 - Non-hazardous chemicals are stored unlabelled or labelling is incorrect

Description

Based on the plant tour and management interview, facility management did not provide labeling for thinner, machine oil, and burnt mobile located in the maintenance room (1st floor of building 2).

Corrective and preventative actions

It is recommended that facility should ensure proper labelling at the mentioned areas.

Evidence

[Finding -NO labeling found for chemicals..JPG](#)

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710421

Non-compliance

Due 2024-12-25

Code area

3 Working conditions are safe and hygienic

Status

Open*

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.

Time given to resolve

30 days

Issue title

237 - Improper storage of hazardous substances (e.g. chemicals and pesticides)

Verification method

Desktop audit

Description

Based on the plant tour and management interview, facility management did not provide secondary containment to the thinner, machine oil, and burnt mobile located in the maintenance room (1st floor of building 2).

Area of non-compliance/non-conformance

Base code

Corrective and preventative actions

It is recommended that facility should ensure proper secondary containment at the mentioned areas.

Evidence

[Finding -NO secondary containment found for chemicals..JPG](#)

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710422

Non-compliance

Due 2025-01-24

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.R Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.

Issue title

336 - Canteen provided is insufficient to meet legal requirements and/or worker needs

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Description

It was noted through plant tour and management interviews that the facility dining seating capacity was found insufficient. Currently, 494 employees are in the facility whereas seating capability is for only 85 persons which is not as per law. As per law, they should have at least 124 persons capacity.

Corrective and preventative actions

It is recommended that the factory management should arrange a dining with sufficient seating capacity.

Local law reference

Bangladesh Labour Rules 2015, Rule 87(1):

1) The Owner of the institute where more than 100 (one hundred) workers are employed shall arrange a canteen for the workers, facilitating adequate space for minimum 10% of total number of workers. However, if the aforesaid canteen can accommodate 30% of the total workers for having meals, the Owner is not obliged to arrange a separate meal room as per Section 93.

Bangladesh Labour Rules 2015, Rule 92 (a): The Dining Room must accommodate at least 15% of total workers.

Evidence

[Finding-Seating capacity insufficient as per law.JPG](#)

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710423

Non-compliance

Due 2024-12-25

Code area

9 No harsh or inhumane treatment is allowed

Status

Open*

Workplace requirement

9.C Implement, adopt and communicate to all workers a disciplinary policy, and procedures that are fair and appropriate.

Time given to resolve

30 days

Issue title

579 - Lack of a detailed disciplinary procedure that has been communicated to all workers

Verification method

Desktop audit

Description

Based on documents review, workers' and management interview, it was noted that the facility has policy-related disciplinary measures but it was not updated as per the latest amendment of labor law & rules. For example, the requirement related to section 24 was not amended in the policy. In addition, randomly 15 out of 26 interviewed workers were not aware of disciplinary rules, penalties for breaking disciplinary rules inquiry and appealing procedures, etc.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

It is recommended that the facility should update policy and communicate updated policy with all workers.

Local law reference

Bangladesh Labor rules 2015, rule 29: Punishment for the misconduct: (1) If the owner or any officer authorized by him/her seeks any kind of explanation as per the item (b) of the subsection (1) of the section 24 for verifying whether any behavior of the worker is misconduct or not and the response of the worker is satisfactory- (a) it seems the dispute has been disposed and this won't make any impact in the next of the job of the workers; (b) isn't satisfactory the owner will direct the manager or any officer authorized by him to complete the investigation procedures after forming an investigation committee and submit the report to him within 60 (sixty) days. (2) The said investigation committee will be formed comprising maximum 6 members. (3) The investigation committee can form sub-committees. (4) The report of the sub-committee will be submitted to the investigation committee for the finalization. (5) The investigation committee will forward the investigation report to the authority for necessary decision. (6) In the committee, the representative of the owner will be appointed from the factory or firm by the owner or any officer authorized by him. (7) The representative of the worker will be nominated in the investigation committee from the workers engaged in the factory or firm subject to the written proposal of the worker charged. Provided that anyone below the position of the worker charged can't be nominated as the representative: Also provided that if allegations are made against any worker or employee under the items (b) & (g) of the sub-section (4) of the section 23, the charged worker or employee can nominate any member of the trade union of the firm (if any) or if there is no trade union, any labor representative of the participating committee as his representative. (8) Conducting any procedure with a view to realize the legal arrears of the workers without making any hindrance to the production or daily activities of the firm and damaging properties of the firm, won't be considered as indiscipline mentioned in the item (f) of the sub-section (4) of the section 23.

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ZAF600710424

Non-compliance

Due 2024-12-25

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

Based on the plant tour and management interview it was noted that the factory has two boilers. 1 out of 2 boilers did not have any boiler registration which is newly installed. Note that the factory has already applied for boiler registration on 01/10/2024 but has not received the updated license yet.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that facility management should ensure boiler license.

Local law reference

Bangladesh Boiler Act 2022 chapter 5, 18 (1)

18 (1). Obtaining registration and certificate for use of boilers. (1) Any within Bangladesh Boiler use should be registered in the office of the Chief Boiler Inspector.

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710425

Non-compliance

Due 2025-01-24

Code area

9 No harsh or inhumane treatment is allowed

Status

Open*

Workplace requirement

9.E Ensure appropriate training for workers at all levels in roles where risk has been identified and those with relevant supervisory or administrative responsibilities, to prevent harsh or inhumane treatment in the workplace. Have systems in place to monitor the understanding/implementation of the training.

Time given to resolve

60 days

Issue title

942 - There is no or insufficient training programme in place to prevent harsh or inhumane treatment in the workplace, or key members of staff have not received the training

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

Description

Facility management did not conduct any risk assessment for harsh and inhumane treatment in the workplace and did not provide training to the workers, mid-level, and administrative responsibilities regarding harsh or inhumane treatment in the workplace.

Corrective and preventative actions

It is recommended that the facility should ensure training regarding harsh or inhumane treatment in the workplace.

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600710426

Non-compliance

Due 2025-01-24

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.A Ensure that all workers (including non-employee workers) are paid at least the legal minimum wage or legally recognised collective bargaining agreement (CBA) where one exists, whichever is higher.

Issue title

446 - Isolated occurrence of wages not paid on time

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

Description

Through document review and management interviews, it was noted that the facility did not pay salaries to workers on time. The facility uses a wage period from the 26th of the previous month to the 25th of the current month for all workers, including both piece-rate and fixed workers. In January 2024, payment was made after the 7th working day of the month (payment date: February 5, 2024). In October 2024, the payment was made after the 7th working day (payment date: November 4, 2024). As a result, the facility failed to provide salaries within the required 7th working day as per the law.

Note that, In July 2024 the payment was made after the 7th working day because the facility remained closed in August 2024 due to political instability.

Corrective and preventative actions

It is recommended that the factory should pay salaries seven working days after the last day of the wage period of each month for all workers.

Local law reference

Bangladesh Labour Law, 2006, Section-123 (1):

(1) The wages of every worker shall be paid before the expiry of the seventh day after the last day of the wage period in respect of which the wages are payable.

* PDF generated at 05:20 (UTC) on 25 Nov 2024. [View this finding on the Sedex platform](#) for live updates and closure details.

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	ℹ	⚠	⚠	⚠
7. No discrimination is practiced	⚠	⚠	⚠	⚠
8. Regular employment is provided	⚠	⚠	⚠	⚠

✗ Not addressed

⚠ Fundamental improvements required

ℹ 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>