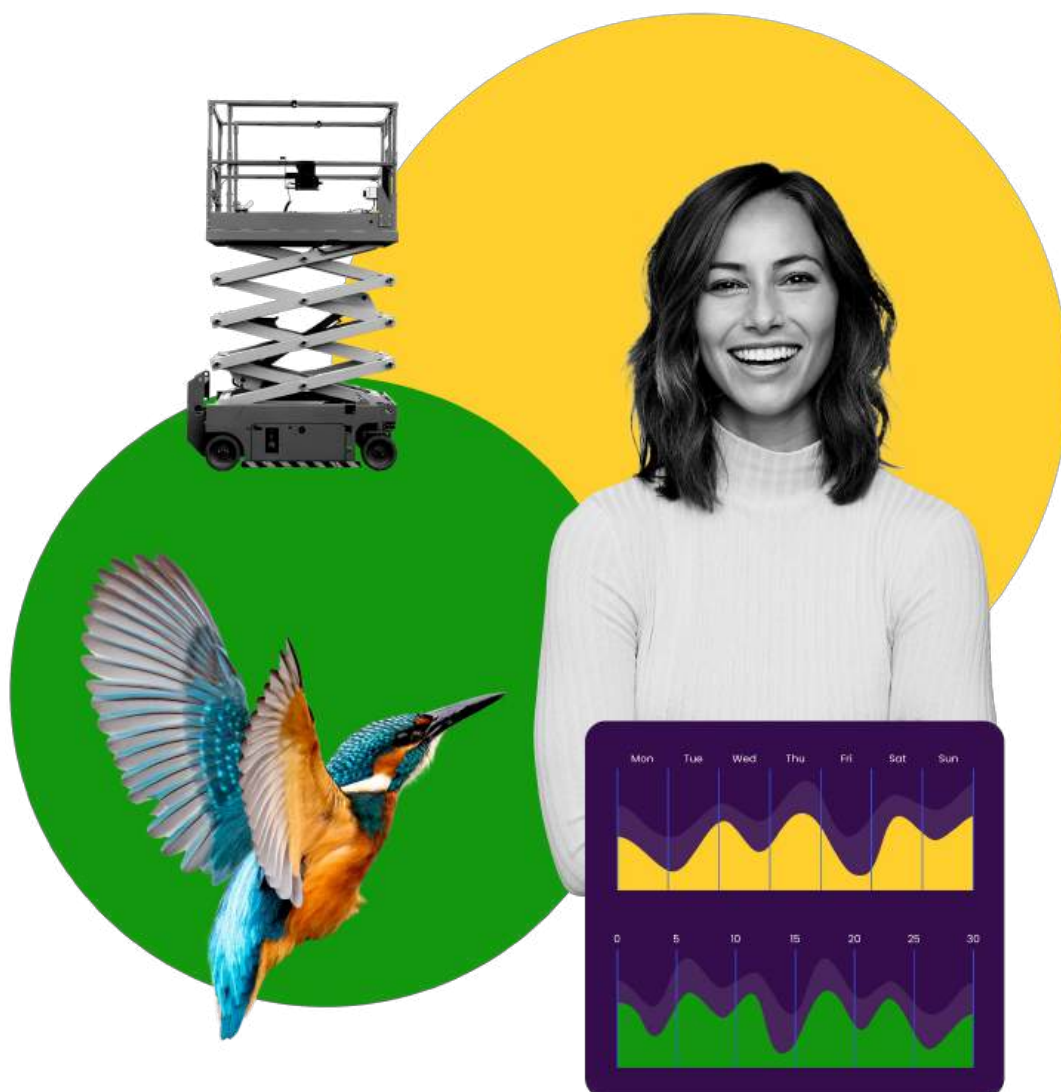


SMETA Corrective Action Plan Report (CAPR)

Version 7



Contents

[Audit content](#)

[Audit details](#)

[SMETA declaration](#)

[Findings](#)

[Summary of findings](#)

[Non-compliances](#)

[Good examples](#)

[Management systems](#)

[Guidance](#)

Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA declaration.

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000027572	Site name	ZHANGJIAGANG KAILIDA PLASTIC CO LTD
Business name	TOPJOY INDUSTRIAL CO. LTD.	Site address	Tianzhuang Village, Gangkou, Fenghuang Town, Zhangjiagang city Zhangjiagang CN 215600

Audit details

Sedex company reference	ZC5000023813	Auditor company name	Openview Service Limited
Audit company address	Rooms 1318-20, 13/F, Hollywood Plaza, 610 Nathan Road, Mongkok, Kowloon, Hong Kong, HK, 0		
Date of audit	2025-10-17	Audit conducted by	Alice Huang
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
Time in and out	Day 1	Day 2	
	In	08:00	In 08:00
	Out	16:00	Out 12:00
Audit type	Periodic		
Was the audit announced?	Semi announced		

[← Contents](#)
[Findings →](#)

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Ms. Qian / Business 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	There are no trade union in the factory.		
Reason for absence during the audit	There are no trade union in the factory.		
Reason for absence at the closing meeting	There are no trade 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.

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)

This is semi announced audit with 3 weeks. The audit window is October 13 to 31.

Lead auditor

Alice Huang

APSCA Number

21703803

Additional auditor

Date of declaration

2025-10-18

[← Contents](#)

[Findings →](#)

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. Qian
Title	Business Manager
Date of declaration	2025-10-18

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	Local law	NC ZAF601133710
	3.H Where identified as necessary to reduce r...	Local law	NC ZAF601133709
	3.N Ensure that all hazardous substances (e.g...	Local law	NC ZAF601133708
	3.U Ensure any additional relevant legal requ...	Local law Base code	NC ZAF-
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC ZAF601133711
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF601133712

[← Contents](#)

[Management systems →](#)

Findings: non-compliances

ZAF601133710

Non-compliance

Due 2024-05-10

Code area	Status
3 Working conditions are safe and hygienic	Closed (2025-10-18)*
Workplace requirement	Time given to resolve
3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.	60 days
Issue title	Verification method
318 - Inadequate/isolated failure in conducting medical examinations or occupational health checks, including disease checks, of workers in hazardous situations(e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)	Desktop audit
Description	Area of non-compliance/non-conformance
Periodic audit on October 17-18, 2025: Closed. Per worker interview and document review found that the factory has arranged pre-job and after-job occupational health examinations for workers engaged in work with hazardous conditions. 通过员工访谈和文件审查发现，工厂对从事职业病危害条件作业的工人安排了上岗前和下岗后的职业病体检。	Local law
Description (carried over)	
Per worker interview and document review found that the factory has arranged on-job occupational health examination, but not arranged pre-job and after-job occupational health examination for workers engaged in work with dust and chemical condition at printing and refinement workshops. 通过员工访谈和文件审查发现，工厂给印刷和密炼的员工安排岗中的职业病体检，未给员工安排岗前和岗后职业病体检。	
Corrective and preventative actions	
It was recommended that the factory should provide pre-job and after-job occupational health examination for worker engaged in work with dust, noise and chemical condition. 建议工厂给员工安排岗前和岗后的职业病体检。	

Corrective and preventative actions (carried over)

It was recommended that the factory should provide pre-job and after-job occupational health examination for worker engaged in work with dust, noise and chemical condition. 建议工厂给员工安排岗前和岗后的职业病体检。

Local law reference

Labor Law of the People's Republic of China (2018 Amendment), Article 54 The employing unit must provide laborers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labor protection and provide regular medical examination for laborers engaged in work with occupational hazards.

Evidence

[Pre-job physical examination report.JPG](#)

[After job physical examination report.JPG](#)

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601133709

Non-compliance

Due 2024-04-10

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-10-18)*

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

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Description

Periodic audit on October 17-18, 2025: Closed.
Per factory tour and worker interview, it was found that workshop worker correctly wear labor protection equipment while working.现场走访发现和员工访谈发现，车间的员工工作时正确佩戴了劳保用品。

[← Findings](#)

[Management systems →](#)

Description (carried over)

Per factory tour and worker interview, it was found that one worker wore disposable mask instead of anti-dust mask which was provided by factory at refinement workshop.现场走访发现和员工访谈发现，底部密炼车间的一名员工工作时佩戴一次性口罩而不是防尘口罩。

Corrective and preventative actions

It was recommended that the factory should provide more training to workers to strengthen their awareness to wear right mask. 建议工厂应该为工人提供更多的培训，以加强他们佩戴正确口罩的意识。

Corrective and preventative actions (carried over)

It was recommended that the factory should provide more training to workers to strengthen their awareness to wear right mask. 建议工厂应该为工人提供更多的培训，以加强他们佩戴正确口罩的意识。

Local law reference

Law of the People's Republic of China on Work Safety (2014 Amendment), Article 42 Production and business units shall provide their employees with work protection gears that are up to national standards or industrial specifications, and they shall give instruction to their employees and see to it that they wear or use these gears in accordance with the rules for their use.

Evidence

[training record.png](#)
[worker correctly wear PPE.JPG](#)

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601133708		Non-compliance	Due 2024-04-10
Code area	Status		
3 Working conditions are safe and hygienic	Closed (2025-10-18)*		

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbunded)

Area of non-compliance/non-conformance

Local law

Description

Periodic audit on October 17-18, 2025: Closed.

Factory tour and management interview noted that the factory stored the chemicals used in the workshop in explosion-proof cabinets specially designed for storing chemicals, which are both fire-proof and explosion-proof and prevent leakage. 现场走访发现和管理层访谈发现，工厂将车间使用的化学品存放在了专门存储化学品的防爆柜里，既能防火防爆，又能防止泄露。

Description (carried over)

Factory tour and management interview noted that four barrels of thinner for printing ink were not stored at secondary container at printing workshop. 现场走访发现和管理层访谈发现，印刷车间的4桶油墨稀释剂没有存放在二次容器里。

Corrective and preventative actions

It was recommended that the factory should store thinner for printing ink in the secondary container. 工厂需要存放油墨稀释剂在二次容器里。

Corrective and preventative actions (carried over)

It was recommended that the factory should store thinner for printing ink in the secondary container. 工厂需要存放油墨稀释剂在二次容器里。

[← Findings](#)

[Management systems →](#)

Local law reference

In accordance with Article 20 of the Regulation for Safety of Dangerous Chemical, Whoever manufactures, stores dangerous chemicals shall set up relevant safety facilities and equipment for inspecting, monitoring, ventilation, sun protection, temperature adjustment, fireproofing, fire control, explosion protection, pressure relief, poisoning prevention, neutralization, moisture prevention, lightening prevention, static electricity resistance, antisepsis, leak prevention, and reclamation dam protection or isolated operation in the working sites, according to the kind of the dangerous chemicals they manufactured, stored, and carry out the works of repairing, maintenance regularly to ensure the safety of the running of facilities and equipment according to National standards, industrial standards or relevant provisions of the State. Units that produce and store dangerous chemicals shall set clear safety warning signs on their workplaces, facilities and equipment.

Evidence

[explosion-proof cabinets.JPG](#)

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-		Non-compliance
Code area	Status	
3 Working conditions are safe and hygienic	Open*	
Workplace requirement	Time given to resolve	
3.U Ensure any additional relevant legal requirements concerning health & safety are met.	90 days	
Issue title	Verification method	
883 - An isolated breach of local law which represents low risk to workers (relating to Code Area 3: Working Conditions are Safe and Hygienic but which cannot be captured under another Workplace Requirement)	Desktop audit	
Description	Area of non-compliance/non-conformance	
	Local law	
	Base code	
Factory tour and management interviews noted that the test reports on occupational hazard factors (noise/air quality) were not posted in the factory. 现场走访发现和管理层访谈发现，职业危害因素（噪音/空气质量）测试报告未在工厂张贴。		

Corrective and preventative actions

It was recommended that Factory need to set up bulletin boards in conspicuous locations to publish regulations and systems related to occupational disease prevention and control, operating procedures, emergency rescue measures for occupational disease hazard accidents, and results of workplace occupational disease hazard factor testing.

工厂需要在醒目位置设置公告栏，公布有关职业病防治的规章制度、操作规程、职业病危害事故应急救援措施和工作场所职业病危害因素检测结果。

Local law reference

In accordance with Article 24 of the China Law of Prevention and Control of Occupational Diseases, the occupational-disease-inductive Employer shall publicize the regulations, operating rules, contingency measures upon occupational-disease-inductive accidents and the testing results of the workplace occupational-disease-inductive factors in the conspicuous bulletin board. The occupational-disease-inductive Employer shall set the warning signs and instructions in Chinese in its conspicuous place onsite, which should include the classes, results, prevention and contingency measures of the occupational-disease-inductive factors.

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601133711

Non-compliance

Due 2024-05-10

Code area

5 Legal wages are paid

Status

Open*

[← Findings](#)

[Management systems →](#)

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

Periodic audit on October 17-18, 2025: Open.

Per the social insurance payment proof of the latest month (September 2025), and interview with management and workers, insufficient insurance coverage was identified. The factory had 49 employees, 5 workers rehired after retirement, and no new employees in the recent month. 44 employees were eligible to participate in five kinds of social insurance. 40 out of 44 (90%) employees participated in pension, unemployment, work-related injury insurance, maternity, and medical insurance. In addition, the factory had provided commercial insurance to the rest of the uninsured workers. 根据2025年9月的社保缴费凭证、员工访谈和管理层访谈，发现社保不全，49名员工中有5名退休返聘员工，因为无新进员工，所以符合参保人数为44。工厂为40（90%）名员工参保了养老险，失业险，工伤险、医疗险和生育险。此外，工厂还为剩余未参保员工参保了商业险。

Area of non-compliance/non-conformance

Local law

Description (carried over)

Per the social insurance payment proof of the latest month (February,2024), and interview with management and workers, insufficient insurance coverage was identified. The factory had 46 employees, 14 workers rehired after retirement and no new employee in the recent month. 32 employees were legal to participate in five kinds of social insurance. 28 out of 32 (88%) employees participated in pension, unemployment, work-related injury insurance, maternity and medical insurance. In addition, the factory had provided accident insurance to the rest of uninsured workers. 根据2024年2月的社保缴费凭证、员工访谈和管理层访谈，发现社保不全，46名员工中有14名退休返聘员工，因为无新进员工，所以符合参保人数为32。工厂为28名员工参养老保险，失业险，工伤险、医疗险和生育险。此外，工厂还为剩余未参保员工参保了意外伤害保险。

Corrective and preventative actions

It was recommended that the factory should provide social insurance to workers as the law requirement. 工厂需要按照法规给所有员工参保五险。

Corrective and preventative actions (carried over)

It was recommended that the factory should provide social insurance to workers as the law requirement. 工厂需要按照法规给所有员工参保五险。

[← Findings](#)

[Management systems →](#)

Local law reference

China Social Insurance Law, Article 73: Laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law: (1) Being retired; (2) Being ill or injured; (3) Being injured or disabled while on duty or contracted with occupational diseases; (4) Being unemployed; or (5) Childbirth.

Evidence

[commerical insurance.png](#)
[five social insurance.png](#)

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601133712		Non-compliance	Due 2024-05-10
Code area			Status
6 Working hours are not excessive		Open*	
Workplace requirement			Time given to resolve
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.		60 days	
Issue title			Verification method
480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)		Follow up audit	
Description			Area of non-compliance/non-conformance
Periodic audit on October 17-18, 2025: Open. Through the review of the attendance record from September, 2024 to August 2025, the Worker’s monthly overtime exceeded the legal 36 hours requirement. From the working hour record review, it was noted that workers’ overtime exceeded 36 hours in 3 out of 3 sampled months: 1) 10 out of 10 samples in November 2024 (random month) monthly overtime was 40-64 hours. 2) 10 out of 10 samples in April 2025 (random month) monthly overtime was 62 hours. 3) 10 out of 10 samples in August 2025 (current month) monthly overtime was 40-66 hours. The weekly working hours of all sampled workers max. were 54 hours per week. 通过查看员工去年9月到今年8月的考勤记录发现工人的月加班时间超过法规规定的36小时要求。在抽样的3个月的考勤记录中，发现3个月的月加班时间均超过法规的标准： 1) 2024年11月（随机月），10个抽样样本中的10人的月加班为40-64小时。 2) 2025年4月（随机月），10个抽样样本中的10人的月加班为62小时。 3) 2025年8月（当前月），10个抽样样本中的10人的月加班为40-66小时。最大周总工时为54小时。		Local law	

Description (carried over)

Through the review of attendance record from February, 2023 to January 2024, Worker's monthly overtime exceeded legal 36 hours requirement. From working hour record review, it was noted that workers' overtime exceeded 36 hours in 3 out of 3 sampled months: 1) 10 out of 10 samples in November 2023 (random month) monthly overtime were 76 hours. 2) 10 out of 10 samples in August 2023 (random month) monthly overtime were 78 hours. 3) 10 out of 10 samples in January 2024 (current month) monthly overtime were 76 hours. The weekly working hours of all sampled workers max. were 58 hours per week. 通过查看员工去年2月到今年1月的考勤记录发现工人的月加班时间超过法规规定的36小时要求。在抽样的3个月的考勤记录中，发现3个月的月加班时间均超过法规的标准：1) 2023年11月（随机月），10个抽样样本中的10人的月加班为76小时。2) 2023年8月（随机月），10个抽样样本中的10人的月加班为78小时。3) 2024年1月（当前月），10个抽样样本中的10人的月加班为76小时。最大周总工时为58小时。

Corrective and preventative actions

It was recommended that the factory should control overtime working hour. 建议工厂控制员工加班时间。

Corrective and preventative actions (carried over)

It was recommended that the factory should control overtime working hour. 建议工厂控制员工加班时间。

Local law reference

Labor Law of the People's Republic of China, Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty-six hours.

Evidence

[monthly overtime exceeded 36 hours..png](#)

* PDF generated at 09:35 (UTC) on 23 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Management systems

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



Not addressed



Fundamental improvements required



















Some improvements recommended



Robust management systems

[← Findings](#)

[Guidance →](#)

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

Guidance

The Corrective Action Plan Report (CAPR) summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI base code, local laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances/ non-conformances.

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

Next steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, NCs, CARs, MSA and good examples. If you have not already received instructions on how to do this then please visit the [Sedex members' e-learning platform](#).
2. Sites shall action its NCs and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request that the audit body verify its actions. Please visit [Sedex members' e-learning platform](#) for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a desktop review process via the Sedex platform or by follow-up audit.
5. Some NCs that cannot be closed off by desktop review may need to be closed off via a follow-up audit charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that NC. Any follow-up audit must take place within twelve months of the previous initial/periodic audit and the information from the previous audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).
7. The site shall develop and share with Sedex an action plan to work on CAR findings, and take actions to work on these areas as identified.
8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

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.



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