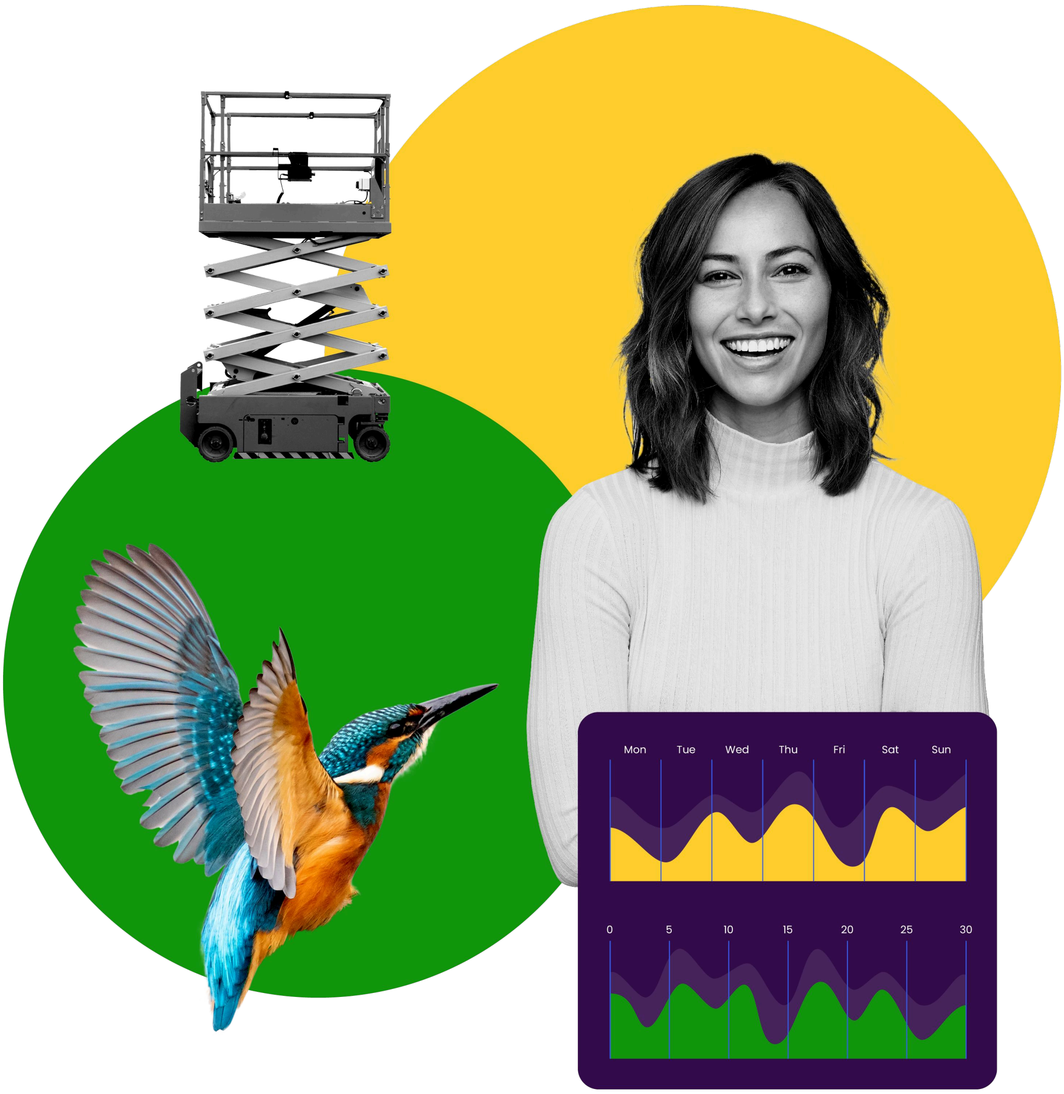
SMETA Corrective Action Plan Report (CAPR)

Version 7



Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

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	ZS410901661	**Site name**	MULTISTEPS PLASTICS (DONG GUAN) CO LTD
Business name	MULTISTEPS PLASTICS (DONG GUAN) CO LTD	**Site address**	Room 102, Building 1, No.1, Qinghu East Road, Qingxi Town 东莞市 CN 523641

Audit details

Sedex company reference	ZC410620296	**Auditor company name**	SGS-China
Audit company address	No. 430, Jihua Road, Bantian, Longgang District, Shenzhen, CN, 518129		
Date of audit	2026-03-25	**Audit conducted by**	Ronnie Zeng
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

	Day 1		Day 2	
	In	13:30	In	09:00
	Out	17:30	Out	17:00

Audit type	Periodic
Was the audit announced?	Announced

← Contents   Findings →

Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Dong Xiaokang / Admin Supervisor
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	No trade union was established in the factory.		
Reason for absence during the audit	No trade union was established in the factory.		
Reason for absence at the closing meeting	No trade union was established in the factory.		

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Findings →

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)	工厂仅租用了一栋7层厂房B的一楼1/2面积、二楼、三楼3/4面积、四楼到七楼用作车间、仓库和办公室，一栋8层宿舍楼的二楼、三楼用作宿舍。同一栋建筑的其他区域则由另外两家工厂租用。通过员工访谈、管理层访谈、现场走访以及资料审阅，没有发现员工或者区域混用的情况。本次审核只包括审核工厂租用的区域。

Lead auditor	Ronnie Zeng	**APSCA Number**	21703442
Additional auditor			
Date of declaration	2026-03-26		

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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	Dong Xiaokang
Title	Admin Supervisor
Date of declaration	2026-03-26

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 Base code	NC ZAF601355440
	3.A Ensure a safe working environment. Put in...	Local law Base code	NC ZAF601365957
	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601365955
	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601365956
	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601365958
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601355437
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF601355438
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF601355439
5. Legal wages are paid	5.B Ensure that workers receive the insurance...		GE ZAF601365959

Findings: non-compliances

ZAF601355440

Non-compliance

Due 2025-06-09

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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.

Issue title

319 - Lack of records/missing documentation for medical examinations or occupational health checks of workers in hazardous situations (e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

Description

Based on the provided occupational health check agreement and the receipt, the factory provided occupational health checks for 83 workers working incontact with noise and 3 workers working in contact with dust and noise on March 31, 2025, but the reports were not obtained yet.
根据提供的职业健康检查委托书以及发票，工厂在2025年3月31号给83名接触到噪声的员工以及3名接触到粉尘和噪声的员工提供了职业病健康检查体检，但尚未取得报告。

Description (carried over)

Based on the provided occupational health check agreement and the receipt, the factory provided occupational health checks for 83 workers working incontact with noise and 3 workers working in contact with dust and noise on March 31, 2025, but the reports were not obtained yet.
根据提供的职业健康检查委托书以及发票，工厂在2025年3月31号给83名接触到噪声的员工以及3名接触到粉尘和噪声的员工提供了职业病健康检查体检，但尚未取得报告。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should arrange the occupational health checks more earlier to ensure the reports can be obtain timely.
建议工厂更早安排职业病加健康体检以便及时获得报告。

Status

Closed (2026-03-26)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Findings

Management systems →

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that the factory should arrange the occupational health checks more earlier to ensure the reports can be obtain timely.
建议工厂更早安排职业病加健康体检以便及时获得报告。

Local law reference

Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35
For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational medical examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational medical examination shall be assumed by the employer.
Employers shall not assign employees who have not undergone the pre-job occupational medical examination to operations with exposure to occupational hazards; shall not assign employees with occupational contraindications to operations causing such contraindications; shall transfer employees who are found during occupational medical examination to have suffered health injuries related to their jobs from such jobs and settle such employees appropriately; and shall not rescind or terminate labor contacts with employees who have not undergone the off-the-job occupational medical examination.
The occupational medical examination shall be conducted by medical health institutions that has obtained the Medical Device Practice License....

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601365957

Non-compliance

Due 2026-05-31

Code area	Status
3 Working conditions are safe and hygienic	Closed (2026-08-03)*

← Findings

Management systems →

Workplace requirement

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.

Issue title

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)

Description

According to management interview and document review, the factory provided on-the-job occupational health examinations for 41 workers exposed to noise, but did not provide on-the-job occupational health examination for one crushing worker exposed to dust and noise, nor did it provide pre-job and off-the-job occupational health examinations for workers exposed to occupational hazards (noise and dust).
根据管理层访谈以及文件审核，工厂为41名接触噪声的工人提供了在岗期间职业健康体检，但没有为1名接触粉尘和噪声的碎料员工提供了在岗期间职业健康体检，没有为接触职业危害因素（噪音和粉尘）的员工提供岗前及岗后的职业健康体检。

Intended corrective and preventative actions, based on root cause analysis

The factory should provide pre-job, on-the-job, and off-the-job occupational health examinations for workers exposed to occupational hazards.
工厂为接触职业危害因素的员工提供岗前、岗中和离岗后职业健康体检。

Local law reference

Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35
For employees conducting operations with exposure to occupational disease hazards, an employer shall organize pre-job, on-the-job, and off-the-job occupational medical examination of employees according to the provisions of the health administrative department of the State Council and inform in writing employees of the examination results. The expenses for the occupational medical examination shall be assumed by the employer.

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 03:07 (UTC) on 03 Aug 2026. [View this finding on the Sedex platform] for live updates and closure details.

ZAF601365955

Non-compliance

Due 2026-05-31

← Findings

Management systems →

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-08-03)*

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

60 days

Verification method

Desktop audit

Issue title

279 - No/inadequate training in how to use Personal Protective Equipment (PPE)

Area of non-compliance/non-conformance

Local law

Base code

Description

Two workers in vacuum forming workshop did not wear the protective earplugs provided by the factory.
吸塑成型车间有两名员工未佩戴工厂提供的耳塞。

Intended corrective and preventative actions, based on root cause analysis

The factory should supervise and educate employees to wear PPE. 工厂应监督教育员工佩戴PPE。

Local law reference

Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 22
Employers must adopt effective protective facilities against occupational diseases and provide employees with occupational disease protection items for personal use.
The occupational disease protection items for personal use provided by an employer to its employees must meet the requirements for the prevention and control of occupational diseases; and those failing to meet such requirements shall not be used.

Evidence

The worker in vacuum forming workshop did not wear the protective earplugs..JPG

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601365956

Non-compliance

Due 2026-05-01

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-08-03)*

← Findings

Management systems →

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).

Issue title

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

Description

The factory provided a disposable mask instead of a dust-proof mask for one crushing worker.
工厂为1名碎料工人提供的是一次性口罩而不是防尘口罩。

Intended corrective and preventative actions, based on root cause analysis

The factory should provide suitable personal protective equipment for crushing worker.
工厂应为碎料工人提供合适的劳保用品。

Local law reference

Production Safety Law of the People's Republic of China (2021 Amendment), Article 45
A business entity must provide labor protection articles that meet the national standards or industrial standards to the employees, supervise and educate employees to wear and use these articles according to the prescribed rules.

Evidence

The factory provided a disposable mask instead of a dust-proof mask for one crushing worker..JPG

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601365958

Non-compliance

Due 2026-05-01

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-08-03)*

← Findings

Management systems →

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).

Issue title

281 - Lack of adequate/appropriate signage in high risk areas on usage of PPE (e.g. importance of ear plugs for high noise or specific PPE for chemical use/handling)

Description

Based on onsite observation, the factory did not post occupational hazard factor notices and warning signs at positions with noise and dust in the production workshop.
根据现场观察发现，工厂没有在生产车间存在噪声及粉尘的岗位张贴职业危害因素告知和警示标识。

Intended corrective and preventative actions, based on root cause analysis

The factory should post occupational hazard factor notices and warning signs at positions with noise and dust.
工厂应在存在噪声及粉尘的岗位张贴职业危害因素告知和警示标识。

Local law reference

Warning Signs for Occupational Hazards in the WorkplaceGBZ 158-20038. Setting of warning signs in workplace where other occupational hazards exited
In the workplace where there is dust, the "caution dust " sign and "must wear dustproof mask" direction sign are set.
In the workplace where occupational burns and corrosion are possible, the warning signs of "Warning corrosion" and "must wear protective clothing", " must wear protective gloves", " must wear protective shoes" and other direction signs are set up.
In the workplace with noise hazard, the "noise harmful" warning sign and the "must wear ear protector" direction signs are set up.
In high temperature workplace, warning sign for "warning high temperature" is set.
In the workplaces that can cause electro-optic ophthalmia, the “warning arc” warning signs and the "must wear protective glasses" direction signs are set up.
In the workplace where biological occupational hazards exist, the “warning infection” warning signs and the corresponding direction signs are set up.
In the workplace where radioisotopes exist and radioactive devices are used, the “warning ionizing radiation” warning signs and the corresponding direction signs are set up.

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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ZAF601355437

Non-compliance

Due 2025-05-10

Code area

3 Working conditions are safe and hygienic

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.

Issue title

242 - No/inadequate eye wash/shower station in hazardous environments including chemical areas

Description

The pressure of the water outlet at one side of the eye washing facility for the chemical warehouse was insufficient.
工厂给化学品仓库设置的洗眼器一边出水口的水压不足。

Description (carried over)

The pressure of the water outlet at one side of the eye washing facility for the chemical warehouse was insufficient.
工厂给化学品仓库设置的洗眼器一边出水口的水压不足。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should adopt correct measures to ensure sufficient pressure for the water outlet of eye washing machine.
建议工厂应采取正确的措施确保洗眼器出水口水压充足。

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that the factory should adopt correct measures to ensure sufficient pressure for the water outlet of eye washing machine.
建议工厂应采取正确的措施确保洗眼器出水口水压充足。

Local law reference

Eye and face protection-Emergency shower and eyewash equipment-Part 1: Technical requirements (GB/T 38144.1-2019)
6.2.1 General requirements
6.2.1.2 It shall be ensured that the flushing fluid can maintain a low flow rate to flush the eyes without causing damage to the eyes.
6.2.1.8 The flushing fluid shall be provided at a flow rate of at least 1.5L/min and could be kept washing eyes for at least 15 minutes.

Status

Closed (2026-03-26)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Findings   Management systems →

Evidence

NC Insufficient pressure of water outlet at one side.JPG

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601355438

Non-compliance

Due 2025-06-09

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

Issue title

224 - Isolated occurrence of incorrect/damaged insulation in electricals including burnt/damaged wiring and plugs

Description

No outer cover was equipped for one power switch respectively at production workshop on 1F and 2F of production building B.
工厂B栋1楼和2楼生产车间各有一个电源开关没有外盖。

Description (carried over)

No outer cover was equipped for one eletronic switch at material warehouse on 3F and at finished goods warehouse on 4F respectively of production building B.
工厂B栋生产楼三楼原料仓库和四楼成品仓库各有一个电源开关没有外盖。

Intended corrective and preventative actions, based on root cause analysis

The factory should equip outer covers for all power switches.
工厂应给所有的电源开关设置外盖。

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that the factory should equip outer covers for all electronic switches.
建议工厂给所有的电源开关设置外盖。

Status

Closed (2026-08-03)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

← Findings

Management systems →

Local law reference

National Safety Technical Code for Electric Equipment (GB 19517-2009)
2.2.3 To prevent accidental contract with live parts, electrical equipment structure and/or housing can be used, or the device can be placed in a closed electrical work field. The parts used to prevent direct contact are only allowed to be removed or opened by means of tools....

Evidence

No outer cover was equipped for one power switch..JPG

NC No outer cover.JPG

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF601355439

Non-compliance

Due 2025-05-10

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

Issue title

227 - Unmarked/incorrect labels/signage/instructions for electrics

Description

No warning sign was posted for one power switch respectively at production workshop on 1F and 2F of production building B.
工厂B栋1楼和2楼生产车间各有一个电源开关没有张贴警示标识。

Description (carried over)

No warning sign was posted for one electronic switch on 2F of production building B.
工厂没有给B栋生产楼二楼的一个电源开关张贴警示标识。

Intended corrective and preventative actions, based on root cause analysis

The factory should post warning sign for all power switches.
工厂应给所有的电源开关张贴警示标识。

Status

Closed (2026-08-03)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

Intended corrective and preventative actions, based on root cause analysis (carried over)

It is recommended that the factory should post warning sign for all electronic switches.
建议工厂给所有的电源开关张贴警示标识。

Local law reference

General Guide for Safety of Electric User (GB/T 13869-2017)
3.3 Information for use
Provide information on the use of electrical products on nameplates, warnings, safety signs, instructions, etc. This may include although this is not an exhaustive list:
-Production information;
-Expected conditions of use;
-Information on the various stages of the life cycle of safe installation, use, and maintenance;
-Alert information on residual or potential risks.

Evidence

No warning sign was posted for one power switch..JPG

NC No warning sign.JPG

* PDF generated at 03:07 (UTC) on 03 Aug 2026. View this finding on the Sedex platform for live updates and closure details.

Findings: good examples

ZAF601365959

Good example

Code area

5 Legal wages are paid

Workplace requirement

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

Description

The factory provided free working meals and accommodation for workers.
工厂为员工提供了免费的工作餐和住宿。

Evidence

The factory provided free working meals and accommodation for workers..JPG

Management systems

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

- 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

← Findings Guidance →

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

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.

← Guidance

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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For more information visit https://www.sedex.com

← Guidance