

# 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 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

|                             |                |                     |  |
|-----------------------------|----------------|---------------------|--|
| <b>Sedex site reference</b> | ZS1018182      | <b>Site name</b>    | Atashi Fashion Limited                           |
| <b>Business name</b>        | Atashi Fashion | <b>Site address</b> | Joyoura, Dhamrai<br>Dhaka<br>Dhaka<br>BD<br>1350 |

## Audit details

|                                 |   |                             |                                |       |
|---------------------------------|---|-----------------------------|--------------------------------|-------|
| <b>Sedex company reference</b>  | ZC1032149   | <b>Auditor company name</b> | TUV Rheinland (TUEV Rheinland) |       |
| <b>Audit company address</b>    | Am Grauen Stein,<br>Cologne,<br>DE, 51105                                     |                             |                                |       |
| <b>Date of audit</b>            | 2025-10-26  | <b>Audit conducted by</b>   | Farjana Nahar                  |       |
| <b>Audit pillars</b>            | Labour Standards   Health and safety   Environment 4-Pillar   Business ethics |                             |                                |       |
| <b>Time in and out</b>          | Day 1   |                             | Day 2                          |       |
|                                 | In  | 08:10                       | In                             | 08:15 |
|                                 | Out   | 17:00                       | Out                            | 13:30 |
| <b>Audit type</b>               | Full initial  |                             |                                |       |
| <b>Was the audit announced?</b> | Semi announced  |                             |                                |       |

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Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Khan Shahidul Islam / General Manager- Merchandising & Planning

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 union is formed in the factory. It is not mandatory by local law. Facility has formed Participation Committee, the worker representatives of the participation committee may carry out the activities related to the interests of the workers in the manner prescribed by local law. |                       |                      |
| Reason for absence during the audit       | No union is formed in the factory. It is not mandatory by local law. Facility has formed Participation Committee, the worker representatives of the participation committee may carry out the activities related to the interests of the workers in the manner prescribed by local law. |                       |                      |
| Reason for absence at the closing meeting | No union is formed in the factory. It is not mandatory by local law. Facility has formed Participation Committee, the worker representatives of the participation committee may carry out the activities related to the interests of the workers in the manner prescribed by local 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)** None

|                            |                |                     |          |
|----------------------------|----------------|---------------------|----------|
| <b>Lead auditor</b>        | Farjana Nahar  | <b>APSCA Number</b> | 21701687 |
| <b>Additional auditor</b>  | Shafayet Noman | <b>APSCA Number</b> | 32400585 |
| <b>Date of declaration</b> | 2025-10-27     |                     |          |

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## Site representation

|                            |  |
|----------------------------|--|
| <b>Declaration</b>         | 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. |
| <b>Full name</b>           | Khan Shahidul Islam  |
| <b>Title</b>               | General Manager- Merchandising & Planning  |
| <b>Date of declaration</b> | 2025-10-27   |

## Summary of findings

| Code area   | Workplace requirement                            | Area of NC             | Finding                 |
|---|--|------------------------|-------------------------|
| <b>2. Freedom of association and right to collective bargaining are respected</b> | 2.E Comply with all other applicable laws tha... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
| <b>3. Working conditions are safe and hygienic</b>                                | 3.A Ensure a safe working environment. Put in... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
|   | 3.A Ensure a safe working environment. Put in... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
|   | 3.A Ensure a safe working environment. Put in... | Base code              | NC <a href="#">ZAF-</a> |
|   | 3.B Conduct risk assessments regarding the po... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
|   | 3.D Form a health and safety committee (or in... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
|   | 3.O Implement an appropriate electrical safet... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
| <b>5.A. Living wages are paid</b>   | 5.A.A Review workers' total pay including ben... | Base code              | NC <a href="#">ZAF-</a> |
| <b>10.A. Environment 2-Pillar</b>   | 10.A.B Comply with relevant local, regional a... | Local law<br>Base code | NC <a href="#">ZAF-</a> |
| <b>10.B. Environment 4-Pillar</b>   | 10.B.I Monitor and mitigate the site's impact... | Base code              | NC <a href="#">ZAF-</a> |

# Findings: non-compliances

ZAF-

Non-compliance

**Code area**

10.A Environment 2-Pillar

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

30 days

**Verification method**

Desktop audit

**Issue title**

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

**Area of non-compliance/non-conformance**

Local law

Base code

**Description**

Based on documents review and management interview it was noted that, Environmental Clearance Certificate of the factory found expired from 09 July 2025. However, facility has applied to concerned authority for renewal on 16 July 2025.

**Corrective and preventative actions**

It is recommended that the factory should obtain renewed environmental clearance from concern authority.

**Local law reference**

Environmental Conservation Rules 2023, Rule 20, (3): The validity of site clearance and environmental clearance for orange & red class industrial establishments or projects shall be 1 (one) year from the date of issue, which shall be renewable at intervals of 1 (one) year.

**Evidence**

[ECC found expired.JPG](#)

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

[← Findings](#)

[Management systems →](#)

|   |   |
|---|---|
| <b>Code area</b>  | <b>Status</b>                                 |
| 10.B Environment 4-Pillar   | Open*   |
| <b>Workplace requirement</b>  | <b>Time given to resolve</b>                  |
| 10.B.I Monitor and mitigate the site's impacts on biodiversity.   | 60 days                                       |
| <b>Issue title</b>  | <b>Verification method</b>                    |
| 652 - Site does not have a biodiversity policy in place contrary to law   | Desktop audit                                 |
| <b>Description</b>  | <b>Area of non-compliance/non-conformance</b> |
| Based on the review of documents and discussions with management, it was observed that the facility has not established or implemented a biodiversity policy. | Base code                                     |
| <b>Corrective and preventative actions</b>  |   |
| It is recommended that facility should develop a biodiversity policy.   |   |

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

**Non-compliance**

|   |   |
|---|---|
| <b>Code area</b>  | <b>Status</b>                                 |
| 2 Freedom of association and right to collective bargaining are respected   | Open*   |
| <b>Workplace requirement</b>  | <b>Time given to resolve</b>                  |
| 2.E Comply with all other applicable laws that impose conditions on Code Area 2.  | 60 days                                       |
| <b>Issue title</b>  | <b>Verification method</b>                    |
| 835 - Legal requirements relating to worker committees are not met  | Desktop audit                                 |
| <b>Description</b>  | <b>Area of non-compliance/non-conformance</b> |
| Based on documents review and management interview, it was noted that the validity of the existing elected Participation Committee (PC) has been expired on 26 October 2025. As per legal requirements, the facility should initiate the necessary procedures to arrange the next election 90 days prior to the expiration of the current committee (which has a validity of two years). It was further noted that the factory management discussed the upcoming election agenda during a Participation Committee meeting with the members. | Local law<br>Base code                        |

[← Findings](#)

[Management systems →](#)

### Corrective and preventative actions

It is recommended that the facility take the necessary initiative to conduct the election of the Participation Committee before the expiration.

### Local law reference

Bangladesh Labor Rules-2015, Amendment 2022 Rule-197 (2): Duration of activity- (1) duration of activity will be for a period of 2 (two) years from the date of formation of the participating committee.

(2) The next committee to be formed within 3 (three) months before of the expiration of the Committee period, and existing committee will be acting until the new committee will be in charge.

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

### Code area

3 Working conditions are safe and hygienic

### Status

Open\*

### 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.

### Time given to resolve

60 days

### Verification method

Desktop audit

### Issue title

313 - Nurse on site, but does not cover all necessary shifts/insufficient for the size of site/inadequately trained

### Area of non-compliance/non-conformance

Local law

### Description

Based on the plant tour, document review, and management interview, it was noted that the facility has not appointed any medical assistant for the night shift. The facility operates two shifts in the Knitting section — from 8:00 a.m. to 5:00 p.m. and from 8:00 p.m. to 5:00 a.m. Approximately 54 workers are employed in the night shift.

Base code

### Corrective and preventative actions

It is recommended that facility should ensure a medical assistant for night shift worker.

[← Findings](#)

[Management systems →](#)

### Local law reference

Bangladesh Labor Rules 2015, amendment 2022: Rule-77 (1): At least one registered Physician shall be in each Treatment Unit of the institute or factory with the facility of dispensary. Additionally, at least one trained compounder or medical assistant, nurse and subordinate employee shall be employed for helping him/her, provided that at least two registered Physicians shall be recruited in case of an institute where more than three thousand employees/workers work and necessary number of medical assistant and nurse shall be recruited for helping the Doctors. Provided further that if the workers of an establishment work in three shifts, the night shift shall be replaced by a Diploma Certified Medical Assistant instead of a Registered Physician.

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

**Non-compliance**

### Code area

3 Working conditions are safe and hygienic

### Status

Open\*

### 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.

### Time given to resolve

30 days

### Verification method

Desktop audit

### Issue title

397 - Childcare facilities are not provided in alignment with legal requirements

### Area of non-compliance/non-conformance

Local law

### Description

Based on plant tour and management interviews, it was noted that the childcare room was not adequately furnished or equipped, and the facility had not arranged a designated toilet and washing area for the childcare area as required by local labor law.

Base code

### Corrective and preventative actions

It is recommended that facility should ensure a proper furnished childcare room including washing facility.

[← Findings](#)

[Management systems →](#)

**Local law reference**

Bangladesh Labor Law 2006, Section-94 (2) & (7) : In such room there shall be provision for sufficient space, light and air flow, and shall be maintained in a clean and hygienic condition, and the room shall be in charge of experienced or trained woman. And the said rooms shall be adequately furnished and in particular, 1 (one) cot or cradle with bed shall be kept therefore each child, and there shall be at least one chair or any similar seat for the use of each mother while she is feeding or attending to her child, and adequate and suitable toys shall be supplied for the comparatively older children.

**Evidence**

[Childcare room was not adequately furnished.JPG](#)

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

**Non-compliance**

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**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.

**Time given to resolve**

60 days

**Verification method**

Desktop audit

**Issue title**

320 - Ergonomic support not given to employees adequate to their job including mats for standing, back rest for seats, other materials to support

**Area of non-compliance/non-conformance**

Base code

**Description**

Based on plant tour and management interview it was noted that, facility has not ensured ergonomic back support of seating chair in linking, sewing section, which may affect in workers backbone.

**Corrective and preventative actions**

It is recommended that facility should provide ergonomic support to the required section.

**Evidence**

[Back support of seating chair not ensured in sewing section..JPG](#)

[Back support of seating chair not ensured in linking section..JPG](#)

[← Findings](#)

[Management systems →](#)

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.B Conduct risk assessments regarding the potential hazards arising from work. The risk assessment shall be updated whenever processes change and reviewed at regular intervals.

**Time given to resolve**

30 days

**Issue title**

152 - Health and safety risk assessment conducted, but not suitable, sufficient and/or documented

**Verification method**

Desktop audit

**Description**

- (i) Through document review and management interview, it was noted that the facility has a risk assessment report. However, the report did not cover ETP, fire risks, flammable boxes, smoking zone, fire control room.
- (ii) Based on plant tour it was noted that one compressor was found in the winding section without any safety barrier, which poses a potential safety hazard

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that facility should conduct proper risk assessment covering all the areas in the facility.

**Local law reference**

Bangladesh Labour Rules 2015, Schedule 4(2) B (1)- Following matters shall be included in the guideline prepared under clause (a), Namely. 1. Risk and safety related management of the firm:  
 (a) Identifying risky areas (like parts of building, stairs, premises, electric lines, machinery, etc)  
 (b) Nature of risk (like crack, gate locked during working hours, dangerous electric connection, etc)  
 (c) Risk level (like high/medium/general/not satisfactory)  
 (d) Assessment of immediate duties (like prohibition of use, immediate repair, reforms, closure)  
 (e) Assessment of necessary protection system in different nature and levels of risk; and  
 (f) Assessment of technical and administrative liability.

**Evidence**

[Compressor found without any safety barrier.JPG](#)

[← Findings](#)

[Management systems →](#)

\* PDF generated at 05:38 (UTC) on 27 Oct 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

3.D Form a health and safety committee (or include H&S in worker committees) which includes workers, and/or their representatives.

**Time given to resolve**

60 days

**Issue title**

147 - No/inadequate health and safety committee or representative(s) as required by law

**Verification method**

Desktop audit

**Description**

Based on documents review and management interview, it was noted that the validity of the existing elected safety committee will expire on 07 November 2025. As per legal requirements, the facility should initiate the necessary procedures to arrange the next formation 45 days prior to the expiration of the current committee (which has a validity of two years).

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that facility should take initiative to form the Safety Committee before expiration.

**Local law reference**

The tenure of the Safety Committee shall be two (2) years from the date of the first meeting of the committee.

A new committee must be formed within 45 (forty-five) days prior to the expiration of the existing committee's term. The newly formed committee shall assume responsibilities immediately after the expiration of the previous committee's term.

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ZAF-

Non-compliance

**Code area**

3 Working conditions are safe and hygienic

**Status**

Open\*

**Workplace requirement**

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

**Time given to resolve**

30 days

**Issue title**

220 - Failure to comply with legal requirements for electrical safety e.g. inspections

**Verification method**

Desktop audit

**Description**

Based on document review and management interviews, it was noted that the facility did not conduct the required pressure vessel hydraulic test for 01 out of 01 compressor from the concerned authority.

**Area of non-compliance/non-conformance**

Local law  
Base code

**Corrective and preventative actions**

It is recommended that facility should conduct pressure vessel hydraulic tests for the compressor.

**Local law reference**

Bangladesh Labour Law 2006, Section 63 (1) D (3): Fencing of machinery. – (1) In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are in mention or in use, namely-  
D(iii) every dangerous part of any machinery.

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ZAF-

**Non-compliance**

**Code area**

5.A Living wages are paid

**Status**

Open\*

**Workplace requirement**

5.A.A Review workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap', and understand what proportion of the workforce has a gap.

**Issue title**

904 - CAR: A living wage gap analysis has been completed but it is missing key elements

**Description**

Through documents review and management interview it was noted that the facility management has conducted a surveys for calculating living wage for this region but did not take proper step for calculating standard food basket, market surveys, housing cost etc. As a result living wage was not calculated properly to identify the potential gap between present local minimum wage and living wage and no action plan is in place to fill the gaps.

**Corrective and preventative actions**

It is recommended that facility management should calculate living wages properly.

**Time given to resolve**

**Verification method**

Collaborative action required

**Area of non-compliance/non-conformance**

Base code

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# Management systems

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

Not addressed

















Fundamental improvements required


Some improvements recommended


Robust management systems


[← 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](#)

## 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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