

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

| | | | |
|----------------------|--------------------------|--------------|---|
| Sedex site reference | ZS422170732 | Site name | The Shoes Bangladesh Ltd |
| Business name | The Shoes Bangladesh Ltd | Site address | 1341 Srikhondia, Tongabari, Ashulia, Savar, Dhaka, BD |

Audit details

| | | | |
|--|---|----------------------|------------------------|
| Sedex company reference | ZC421700011 | Auditor company name | GSCS International Ltd |
| Date of audit | 2025-05-29 | Audit conducted by | Akil Mahmud |
| Audit pillars | Labour Standards Health and safety Environment 4-Pillar Business ethics | | |
| Time in and out | <div>Day 1</div> <div>In 09:15</div> <div>Out 16:40</div> | | |
| Audit type | Periodic | | |
| Was the audit announced? | Semi announced | | |
| Was the Sedex SAQ available for review? | Yes | | |
| Who signed and agreed CAPR? | Syed Mahmud Rubaiyat / Manager- HR, Admin & Compliance | | |
| Any conflicting information SAQ/Pre-Audit Info | No | | |
| Is further information available? | No | | |

Audit attendance

| | | | |
|------------------------------------|-------------------|-----------------------|----------------------|
| | Senior management | Worker representative | Union representative |
| A: Present at the opening meeting? | Yes | Yes | No |

| | | | |
|--|--|-----|----|
| B: Present at the audit? | Yes | Yes | No |
| C: Present at the closing meeting? | Yes | Yes | No |
| Reason for absence at the opening meeting | There was no union present in the facility. The facility has formed a workers' participation committee, and as per local law, if a facility forms a workers' participation committee, then a union is not mandatory for them. However, senior management and worker representatives were present in the opening meeting. | | |
| Reason for absence during the audit | There was no union present in the facility. The facility has formed a workers' participation committee, and as per local law, if a facility forms a workers' participation committee, then a union is not mandatory for them. However, senior management and worker representatives was present during audit. | | |
| Reason for absence at the closing meeting | There was no union present in the facility. The facility has formed a workers' participation committee, and as per local law, if a facility forms a workers' participation committee, then a union is not mandatory for them. However, senior management and worker representatives was present in the closing meeting. | | |

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

None

| | | | |
|---------------------|----------------------|--------------|----------|
| Lead auditor | Akil Mahmud | APSCA Number | 32200701 |
| Additional auditor | Miskat Jahan | APSCA Number | 32400592 |
| | Md. Fazlul Haque | APSCA Number | 21704069 |
| | Foysal Mahamud Bijoy | APSCA Number | 32400683 |
| Date of declaration | 2025-05-29 | | |

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 | Syed Mahmud Rubaiyat |
| Title | Manager- HR, Admin & Compliance |
| Date of declaration | 2025-05-29 |

Summary of findings

| Code area | Workplace requirement | Area of NC | Finding |
|---|--|------------------------|---------------------------------|
| 0. Enabling accurate assessment | 0.C Provide an accurate site description and ... | Local law | NC ZAF600938445 |
| | 0.C Provide an accurate site description and ... | Local law | NC ZAF600938446 |
| | 0.C Provide an accurate site description and ... | Local law | NC ZAF600938447 |
| | 0.C Provide an accurate site description and ... | Local law | NC ZAF600938448 |
| 3. Working conditions are safe and hygienic | 3.A Ensure a safe working environment. Put in... | Local law | NC ZAF600938449 |
| | 3.B Conduct risk assessments regarding the po... | Local law | NC ZAF600938454 |
| | 3.H Where identified as necessary to reduce r... | Local law Base code | NC ZAF600955596 |
| | 3.L Implement effective processes to manage f... | Local law | NC ZAF600938450 |
| | 3.L Implement effective processes to manage f... | Base code | NC ZAF600955597 |
| | 3.R Provide clean and secure toilets, wash ar... | Local law | NC ZAF600938452 |
| | 3.R Provide clean and secure toilets, wash ar... | Local law | NC ZAF600938453 |
| 10.A. Environment 2-Pillar | 10.A.B Comply with relevant local, regional a... | Local law Base code | NC ZAF600938451 |

Findings: non-compliances

ZAF600938445

Non-compliance

Due 2023-05-14

Code area

0 Enabling accurate assessment

Status

Closed (2025-05-29)*

Workplace requirement

0.C Provide an accurate site description and Sedex site profile declared prior to or during the audit.

Time given to resolve

120 days

Issue title

34 - Site is operating without all required in-date licences and permits (e.g. business/factory licence has expired)

Verification method

Desktop audit

Description

It was noted through document review and management interviews that, the facility has obtained the factory license in category 'D' instead of Category 'H' considering its current workforce.

Area of non-compliance/non-conformance

Local law

Description (carried over)

It was noted through document review and management interviews that, the facility has obtained the factory license in category 'D' instead of Category 'H' considering its current workforce.

Corrective and preventative actions

It is recommended that the management should obtain the updated factory license considering its current workforce in line with the legal requirement.

Corrective and preventative actions (carried over)

It is recommended that the management should obtain the updated factory license considering its current workforce in line with the legal requirement.

Local law reference

The Bangladesh Labor Rules, 2015, rules 355, Schedule 7

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938446

Non-compliance

Due 2023-04-14

Code area

0 Enabling accurate assessment

Status

Open*

Workplace requirement

0.C Provide an accurate site description and Sedex site profile declared prior to or during the audit.

Issue title

34 - Site is operating without all required in-date licences and permits (e.g. business/factory licence has expired)

Description

It was noted through document review and management interviews that, the facility management has taken building construction approval for the main building from the Chairman of Ashulia Union Parishad on On June 12, 2017, rather than its concerned authority (Local Government Engineering Department-LGED). However, the facility applied to LGED on June 15, 2022, but has yet to receive this approval.

Description (carried over)

It was noted through document review and management interviews that, the facility management has taken building construction approval for the main building from the Chairman of Ashulia Union Parishad on On June 12, 2017, rather than its concerned authority (Local Government Engineering Department-LGED). However, the facility applied to LGED on June 15, 2022, but has yet to receive this approval.

Corrective and preventative actions

It is recommended that the management should obtain the building construction approval from the concerned authority.

Corrective and preventative actions (carried over)

It is recommended that the management should obtain the building construction approval from the concerned authority.

Local law reference

The building Construction Act 1952, Section-3A

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938447

Non-compliance

Due 2023-05-14

Code area

0 Enabling accurate assessment

Status

Closed (2025-05-29)*

Workplace requirement

0.C Provide an accurate site description and Sedex site profile declared prior to or during the audit.

Issue title

34 - Site is operating without all required in-date licences and permits (e.g. business/factory licence has expired)

Description

It was noted through facility tour, documents review, and management interviews that, the facility has two diesel power generators with capacities of 250 KVA and 360 KVA. But the facility did not obtain the generator operating permission from the concerned authority. However, they applied for permission on 23 February 2022.

Description (carried over)

It was noted through facility tour, documents review, and management interviews that, the facility has two diesel power generators with capacities of 250 KVA and 360 KVA. But the facility did not obtain the generator operating permission from the concerned authority. However, they applied for permission on 23 February 2022.

Corrective and preventative actions

It is recommended that the management should obtain the generator operating permission from the concerned authority.

Corrective and preventative actions (carried over)

It is recommended that the management should obtain the generator operating permission from the concerned authority.

Local law reference

Bangladesh Energy Regulatory Commission License Regulations, 2006, Section 9 (b)

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938448

Non-compliance

Due 2023-02-13

Code area

0 Enabling accurate assessment

Workplace requirement

0.C Provide an accurate site description and Sedex site profile declared prior to or during the audit.

Issue title

34 - Site is operating without all required in-date licences and permits (e.g. business/factory licence has expired)

Description

It was noted through facility tour and documents reviews that, the evacuation plan was found to be inconsistent with the actual floor arrangement on the first and third floors. A dining area was mentioned in the evacuation plan placed on the first floor; however, it was not seen during the floor tour. Also, on the evacuation floor on the third floor, there should be an open space, but it was found to using as a finished good area.

Status

Closed (2025-05-29)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Description (carried over)

It was noted through facility tour and documents reviews that, the evacuation plan was found to be inconsistent with the actual floor arrangement on the first and third floors. A dining area was mentioned in the evacuation plan placed on the first floor; however, it was not seen during the floor tour. Also, on the evacuation floor on the third floor, there should be an open space, but it was found to be using as a finished good area.

Corrective and preventative actions

It is recommended that the management should update the evacuation plan as per the current layout arrangement.

Corrective and preventative actions (carried over)

It is recommended that the management should update the evacuation plan as per the current layout arrangement.

Local law reference

Bangladesh Labour Rules-2015, Rule 353(1)

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938451

Non-compliance

Due 2023-02-13

Code area

10.A Environment 2-Pillar

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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.)

Verification method

Desktop audit

Description

It was noted through document review and management interviews that the facility has an agreement with Nisa Enterprise to collect and dispose of industrial waste. However, the agreement was found to have ended on February 28, 2025.

Area of non-compliance/non-conformance

Local law
Base code

Description (carried over)

It was noted through document review and management interviews that the facility has an agreement with Shakib Enterprise to collect and dispose of industrial waste. However, the agreement was found to have ended on August 31, 2022.

Corrective and preventative actions

It was recommended that the management should renew the agreement with the waste collect and dispose service provider.

Corrective and preventative actions (carried over)

It was recommended that the management should renew the agreement with the waste collect and dispose service provider.

Local law reference

Bangladesh labour Laws, 2006, section 54

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938449

Non-compliance

Due 2023-04-14

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-05-29)*

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

90 days

Issue title

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

Verification method

Desktop audit

Description

It was noted through facility tours, workers, and management interviews that, the facility did not provide Child Care facilities to its workers.

Area of non-compliance/non-conformance

Local law

Description (carried over)

It was noted through facility tours, workers, and management interviews that, the facility did not provide Child Care facilities to its workers.

Corrective and preventative actions

It is recommended that the management should provide childcare facilities to its workers.

Corrective and preventative actions (carried over)

It is recommended that the management should provide childcare facilities to its workers.

Local law reference

Bangladesh Labour Act, 2006, Chapter-8, Section-94(1), (7), (3), (2)

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938454

Non-compliance

Due 2023-02-13

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-05-29)*

Workplace requirement

3.B Conduct risk assessments regarding the potential hazards arising from work. The risk assessment shall be reviewed whenever processes change and at least annually considering any incidents and findings.

Issue title

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

Description

It was noted through the facility tour that, the roof of the main production building did not have a parapet wall. Also, the facility's risk assessment did not cover these kinds of problems.

Description (carried over)

It was noted through the facility tour that, the roof of the main production building did not have a parapet wall. Also, the facility's risk assessment did not cover these kinds of problems.

Corrective and preventative actions

It is recommended that the management should provide the parapet walls at the rooftop of the main production building.

Corrective and preventative actions (carried over)

It is recommended that the management should provide the parapet walls at the rooftop of the main production building.

Local law reference

Bangladesh Labor Rules, 2015, Schedule-4, Matters relating to safety committee (2)

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600955596

Non-compliance

Due 2025-07-05

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Time given to resolve

30 days

Issue title

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

Verification method

Desktop audit

Description

It was noted through the facility tour that approximately 15% of 34 workers in the lasting section on the 3rd floor were found handling glue (chemical) without wearing hand gloves.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that the facility ensures all workers handling chemicals such as glue on the production floor consistently wear appropriate hand gloves to minimize health and safety risks.

Local law reference

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

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938450

Non-compliance

Due 2023-02-13

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-05-29)*

Workplace requirement

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

Time given to resolve

30 days

Issue title

217 - Regular fire drills are not conducted

Verification method

Desktop audit

Description

It was noted through document review, management, and workers interviews that, the facility did not conduct fire drills by the BFSCD in the last 12 months. However, the facility has arranged internal evacuation drills regularly monthly.

Area of non-compliance/non-conformance

Local law

Description (carried over)

It was noted through document review, management, and workers interviews that, the facility did not conduct fire drills by the BFSCD in the last 12 months. However, the facility has arranged internal evacuation drills regularly monthly.

Corrective and preventative actions

It is recommended that the management should conduct the fire drill by the BFSCD at least twice a year.

Corrective and preventative actions (carried over)

It is recommended that the management should conduct the fire drill by the BFSCD at least twice a year.

Local law reference

Bangladesh Labour Act, 2006, Amended on 2013, Chapter-6, Section-62 (8)

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600955597

Non-compliance

Due 2025-08-04

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

210 - Inadequate/poorly functioning emergency lighting

Description

It was noted through the facility tour that no emergency lights or emergency exit signs were installed on the staircase from the 4th floor to the rooftop at the second exit stair

Corrective and preventative actions

It is recommended that the facility should install emergency lights and emergency exit signs in the identified area to ensure safe evacuation during emergencies.

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938452

Non-compliance

Due 2023-02-13

Code area

3 Working conditions are safe and hygienic

Workplace requirement

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

Issue title

335 - No canteen facility provided as per local law

Description

It was noted through facility tours, workers, and management interviews that, the facility did not provide a canteen facility to its workers.

Description (carried over)

It was noted through facility tours, workers, and management interviews that, the facility did not provide a canteen facility to its workers.

Corrective and preventative actions

It is recommended that the management should provide a canteen facility for its workers.

Corrective and preventative actions (carried over)

It is recommended that the management should provide a canteen facility for its workers.

Status

Open*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Local law reference

Bangladesh Labor Act 2006, Chapter- 8, Section – 92

* PDF generated at 04:42 (UTC) on 05 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600938453

Non-compliance

Due 2023-02-13

Code area

3 Working conditions are safe and hygienic

Status

Closed (2025-05-29)*

Workplace requirement

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

Time given to resolve

30 days

Verification method

Desktop audit

Issue title

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

Area of non-compliance/non-conformance

Local law

Description

It was noted through the facility tour that, the facility has provided a dining area for the workers. However, the dining facility was found inadequate sitting capacity. Only 36 workers can seat at a time instead of about 90 persons or an equivalent number of 15% of the total workers.

Description (carried over)

It was noted through the facility tour that, the facility has provided a dining area for the workers. However, the dining facility was found inadequate sitting capacity. Only 36 workers can seat at a time instead of about 90 persons or an equivalent number of 15% of the total workers.

Corrective and preventative actions

It is recommended that the management should provide sufficient sitting capacity and hand-washing arrangements in the dining area.

Corrective and preventative actions (carried over)





































It is recommended that the management should provide sufficient sitting capacity and hand-washing arrangements in the dining area.

Local law reference

Bangladesh Labour Rules 2015, Chapter-8, Section-92

* PDF generated at 04:42 (UTC) on 05 Jun 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 |  |  |  |  |
| 1.A. Responsible recruitment and entitlement to work |  |  |  |  |
| 2. Freedom of association and right to collective bargaining are respected |  |  |  |  |
| 3. Working conditions are safe and hygienic |  |  |  |  |
| 4. Child labour shall not be used |  |  |  |  |
| 5. Legal wages are paid |  |  |  |  |
| 6. Working hours are not excessive |  |  |  |  |
| 7. No discrimination is practiced |  |  |  |  |
| 8. Regular employment is provided |  |  |  |  |



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

Guidance

The Corrective Action Plan Report (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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