

# SMETA Corrective Action Plan Report (CAPR)

Version 7



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# Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

## Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
  - 0: Enabling accurate Assessment
  - 1: Employment is Freely Chosen
  - 1.A: Responsible Recruitment & Entitlement to Work
  - 2: Freedom of Association and Right to Collective Bargaining are Respected
  - 4: Child Labour Shall Not be Used
  - 5: Legal Wages are Paid
  - 5.A: Living Wages are Paid
  - 6: Working Hours are Not Excessive
  - 7: No Discrimination is Practiced
  - 8: Regular Employment is Provided
  - 8.A: Sub-contracting and Homeworkers are Used Responsibly
  - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
  - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
  - 10.A: Environment 2-Pillar

## Included in a 4-Pillar audit:

1. Labour Standards Code Areas
  - As 2-pillar
2. Health & Safety Code Area
  - As 2-pillar
3. Environment Code Area:
  - 10.A: Environment 2-Pillar
  - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
  - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.



# Audit and site details

## Audit details

Sedex company reference		Auditor company name	
Date of audit	2025-02-27	Audit conducted by	
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference	Site name		
Business name	Site address		
Site phone	Site email		

# Audit parameters

Time in and out	Day 1		Day 2	
	In	09:00	In	09:02
	Out	15:58	Out	15:59
Audit type	Periodic			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?				
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 labour union exists. Worker management council exists as a parallel means of worker representation.		
Reason for absence during the audit	No labour union exists. Worker management council exists as a parallel means of worker representation.		
Reason for absence at the closing meeting	No labour union exists. Worker management council exists as a parallel means of worker representation.		

# 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)

3.5 man-days activity, two auditors including the lead auditor completed the activity in two working days.

### Lead auditor

### APSCA Number

### Additional auditor

### APSCA Number

### Date of declaration

2025-02-28

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	
Title	
Date of declaration	2025-02-28

## Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.U Ensure any additional relevant legal requ...	§1	
	3.B Conduct risk assessments regarding the po...	§2	
	3.A Ensure a safe working environment. Put in...	§3	
5. Legal wages are paid	5.F Provide all workers with clearly written ...	§4	
2. Freedom of association and right to collective bargaining are respected	2.E Comply with all other applicable laws tha...	§5	
10.B. Environment 4-Pillar	10.B.E Identify and monitor potential negativ...		

## Local law issues

\$1	THE PUNJAB INDUSTRIAL RELATIONS ACT 2010 - (4) The workers' representatives shall participate in all the meetings of the Council and all matters relating to the management of the establishment, except commercial and financial transaction, may be discussed in such meetings. (5) The Council shall function for securing and preserving good labour management relation and shall look after the following matters- (i) improvement in production, productivity and efficiency; (ii) fixation of job and piece-rates; (iii) planned regrouping or transfer of the workers & others.
\$2	In accordance with Punjab Factories Act 1934 (2012) Chapter-03 Health and Safety section 20, Drinking water: 3) In every factory wherein more than two hundred and fifty workers are ordinarily employed, provision shall be made for cooling the drinking water during the hot weather by effective means and for distribution thereof and arrangements shall also be made for (a) the daily renewal of water if not laid on; and (b) a sufficient number of cups or other drinking vessels, unless the water is being delivered in upward jet.
\$3	THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019 3. Duties of employer.- (1) Every employer shall: (a) take all possible and reasonably practicable measures to ensure safety and health of the employees at the workplace; (b) ensure systematic and effective identification of the existing and new hazards at the workplace on a regular basis;
\$4	THE PUNJAB ENVIRONMENTAL PROTECTION ACT, 1997, National Environmental Quality Standards for Ambient Air.
\$5	THE FACTORIES ACT, 1934 - CHAPTER VII – Supplemental 76. Display of factory notices. - (1) In addition to the notices required to be displayed in any factory by this Act or the rules made thereunder, there shall be displayed in every factory a notice containing such abstracts of this Act and of the rules made thereunder, in English and in the vernacular of the majority of the workers as the Provincial Government may prescribe.

# Findings: non-compliances

Non-compliance

Due 2025-06-08

## Code area

3 Working conditions are safe and hygienic

## Status

Closed (2025-03-18)\*

## Workplace requirement

3.U Ensure any additional relevant legal requirements concerning health & safety are met.

## Time given to resolve

90 days

## Issue title

883 - An isolated breach of local law which represents low risk to workers (relating to Code Area 3: Working Conditions are Safe and Hygienic but which cannot be captured under another Workplace Requirement)

## Verification method

Desktop audit

## Area of non-compliance/non-conformance

Local law  
Base code

## Description

During site tour, it was noted that disposable drinking water cups has not provided with drinking water points at first floor.

## Corrective and preventative actions

It was recommended that factory should provide disposable drinking water cups with drinking water points.

## Local law reference

In accordance with Punjab Factories Act 1934 (2012) Chapter-03 Health and Safety section 20, Drinking water: 3) In every factory wherein more than two hundred and fifty workers are ordinarily employed, provision shall be made for cooling the drinking water during the hot weather by effective means and for distribution thereof and arrangements shall also be made for (a) the daily renewal of water if not laid on; and (b) a sufficient number of cups or other drinking vessels, unless the water is being delivered in upward jet.

## Evidence

[NC- Disposbale cups not provided with drinking water point.jpg](#)

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance

Due 2025-04-09

## Code area

3 Working conditions are safe and hygienic

## Status

Closed (2025-03-18)\*



### 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

The facility has conducted a Health & Safety risk assessment covering all relevant areas. However, the control measures identified in some cases, such as electrical safety and chemical safety, were not appropriate. Additionally, risk assessment did not adhere to the hierarchy of controls, as it lacks adequate elimination, substitution, engineering, and administrative controls before relying on PPE.

### Corrective and preventative actions

It is recommended that facility should Review and update the risk assessment to ensure appropriate control measures are applied for electrical safety, chemical safety, and other relevant hazards. Ensure compliance with the hierarchy of controls (Elimination → Substitution → Engineering Controls → Administrative Controls → PPE).

### Local law reference

THE PUNJAB OCCUPATIONAL SAFETY AND HEALTH ACT 2019 3. Duties of employer.- (1) Every employer shall: (a) take all possible and reasonably practicable measures to ensure safety and health of the employees at the workplace; (b) ensure systematic and effective identification of the existing and new hazards at the workplace on a regular basis;

### Evidence

[Risk assessment Not appropriate.jpeg](#)

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance

Due 2025-05-09

### 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

305 - No/inadequate air quality test

### Description

During the review of monitoring reports, it was noted that the facility has not renewed the Ambient Air Quality analysis report as required.

### Corrective and preventative actions

The facility should immediately arrange for an updated Ambient Air Quality test through a certified third-party laboratory to ensure compliance with regulatory requirements.

### Status

Closed (2025-03-18)\*

### Time given to resolve

60 days

### Verification method

Desktop audit

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

Local law  
Base code

### Local law reference

THE PUNJAB ENVIRONMENTAL PROTECTION ACT, 1997, National Environmental Quality Standards for Ambient Air.

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**Non-compliance**

Due 2025-05-09

### Code area

5 Legal wages are paid

### Status

Closed (2025-03-18)\*

### Workplace requirement

5.F Provide all workers with clearly written information, in a language workers understand, outlining wage information (rates of and total pay, overtime, payment frequency, deductions, benefits and insurances, and paid leave) before employment begins, and with clearly written information relating to any changes of the same during the course of employment.

### Time given to resolve

60 days

### Verification method

Desktop audit

### Issue title

899 - Changes in wages (rates of and total pay, overtime, payment frequency, deductions, benefits and insurances, and paid leave) have not been not adequately communicated to workforce

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

Local law  
Base code

### Description

During worker interviews, it was noted that the facility had not provided awareness to workers regarding the recent revision of the Factory Act 1934, which mandates the inclusion of paternity leave.

### Corrective and preventative actions

The facility should organize training sessions or meetings to inform workers about the revised Factory Act 1934 and their entitlement to paternity leave.

### Local law reference

THE FACTORIES ACT, 1934 - CHAPTER VII – Supplemental 76. Display of factory notices. - (1) In addition to the notices required to be displayed in any factory by this Act or the rules made thereunder, there shall be displayed in every factory a notice containing such abstracts of this Act and of the rules made thereunder, in English and in the vernacular of the majority of the workers as the Provincial Government may prescribe.

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

**Non-compliance**

Due 2025-06-08

### Code area

2 Freedom of association and right to collective bargaining are respected

### Status

Closed (2025-03-18)\*

## Workplace requirement

2.E Comply with all other applicable laws that impose conditions on Code Area 2.

## Time given to resolve

90 days

## Issue title

838 - An isolated breach of local law which represents low risk to workers (relating to Code Area 2: Freedom of Association but which cannot be captured under another Workplace Requirement)

## Verification method

Desktop audit

## Description

During the review of agenda items of Workers Management Council meetings, it was noted that the agenda points did not align with the legally prescribed checklist, and some mandatory elements were not included.

## Area of non-compliance/non-conformance

Local law  
Base code

## Corrective and preventative actions

The facility should update the meeting agenda to ensure it includes all mandatory elements as prescribed by law.

## Local law reference

THE PUNJAB INDUSTRIAL RELATIONS ACT 2010 - (4) The workers' representatives shall participate in all the meetings of the Council and all matters relating to the management of the establishment, except commercial and financial transaction, may be discussed in such meetings. (5) The Council shall function for securing and preserving good labour management relation and shall look after the following matters- (i) improvement in production, productivity and efficiency; (ii) fixation of job and piece-rates; (iii) planned regrouping or transfer of the workers & others.

## Evidence

[Agenda Items not complete.jpeg](#)

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Non-compliance

Due 2025-05-09

## Code area

10.B Environment 4-Pillar

## Status

Closed (2025-03-18)\*

## Workplace requirement

10.B.E Identify and monitor potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations.

## Time given to resolve

60 days

## Issue title

951 - Site does not identify its potential negative environment impacts or have in place systems to prevent, mitigate or remedy those impacts

## Verification method

Desktop audit

## Description

It was noted during review of records that although facility has documented aspects and impacts on Doc ref: TP/MCI/HR related to its activities and processes however aspect and impact related to use of refrigerant not found covered.

## Area of non-compliance/non-conformance

Base code

## Corrective and preventative actions

It is recommended to include aspect and impacts related to use of refrigerants.

## Evidence





































[Agenda Items not complete.jpeg](#)

\* PDF generated at 07:23 (UTC) on 18 Mar 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

## Findings: good examples

No good examples

# Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
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 summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances/ non-conformances.

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

### Next steps:

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



8. The site should use the MSA gradings to help to improve internal systems, focusing where their systems are weakest and the risks of harm are highest. These actions should better prepare them for future audits and help sustain compliance.

## Management Systems Assessment (MSA)

A management system is defined as a comprehensive framework comprising of processes, policies, procedures, and tools that are strategically designed and implemented within a business to plan, organise, execute, monitor, and continuously improve its activities. Management systems are the systems that underpin how a company runs its day-to-day operations, makes decisions, and helps avoid the recurrence of common problems.

Where management systems are weak a site is at higher risk of non-compliance over time, the SMETA MSA can help sites to proactively reduce the likelihood of risks occurring. Sites should take actions commensurate with their size and resources, focusing on where their systems are weakest and the likelihood of risks is highest, based on their sector, location and workforce profile.

The MSA Grades do not result in NCs, and will not be re-assessed in follow-up audits.

For more information on Management Systems please refer to the Management Systems Workbooks.

## Collaborative Action Required

The SMETA Workplace Requirements identify certain specific issues where a site may not meet the Base Code, but the usual mechanisms of NC verification and closure are not appropriate, for some or all of the following reasons;

- The audited party does not have the capacity/ responsibility to close the issue without support from other relevant stakeholders, such as commercial partners/buyers.
- Remediation of the issue requires an indeterminate and possibly extended timeframe, rather than a predetermined deadline as set within the Sedex platform.
- There is a risk of adverse consequences if closure of a particular issue is not approached with due consideration and time provided for adequate risk assessment.
- Evidencing effective remediation is complex and it is outside the capacity of existing SMETA methodology to validate through evidence provided during an onsite assessment alone.

These specific WRs have a Collaborative Action Required (CAR) finding raised against them.

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions. Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

When developing a methodology to prioritise action on these more complex areas, Sedex recommends following a due diligence process and prioritising activities based on the most salient risks.

#### **For Suppliers**

Where CARs are raised suppliers should create an action plan for how they are going to address these areas. Sedex also recommends suppliers reach out to their buying partners to understand their expectations on these issues and start a constructive dialogue. The action plans can be uploaded on to the Sedex platform, which will change the status of the CAR finding from "open" to "in progress". Management and assessment of action plans is encouraged as an activity between linked buyer and supplier members.

#### **For Buyers**

Where CARs are raised buyer members should prioritise resolution of these issues based on a salient risk approach. Buyers should assess their own roles and responsibilities in the closure of these findings, especially considering any increased financial costs and how these may relate to the buyers own purchasing practices. Buyers should work with suppliers to ensure that closure plans are realistic, taking a long-term approach to improvement where it is necessary, and working with multi-stakeholder initiatives, NGOs, Trade Unions and other third parties to address these issues, which may be widespread. In the interests of enabling transparency, collaboration and long-term effective remediation, the application of commercial penalty against suppliers where these issues are identified and action plans are in place is not encouraged.

**For Auditors**

Auditors will assess whether the CARs are met through the SMETA audit process and raise the findings where relevant. Auditors will not assess the action plans shared or provide guidance on closure methodology, due to the limitations of assessing scope and responsibilities through a supplier site assessment alone. CAR findings will be superseded and closed in periodic audits. The auditor will assess the Workplace Requirements anew and raise a CAR in following audits until there is no longer a finding to raise.



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