

SMETA Corrective Action Plan Report (CAPR)

Version 7



Contents

[Audit content](#)

[Audit and site details](#)

[Audit parameters](#)

[Audit attendance](#)

[SMETA declaration](#)

[Findings](#)

[Summary of findings](#)

[Non-compliances](#)

[Good examples](#)

[Management systems](#)

[Guidance](#)

Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & 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	ZC405797718	Auditor company name	Intertek Turkey
Date of audit	2025-03-17	Audit conducted by	Sedex member
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		

Site details

Sedex site reference	ZS405821105	Site name	ERBOS SOCKS TEXTILE INDUSTRY AND EXPORT STOCK COMPANY
Business name	ERBOS CORAP TEKSTIL SAN ve DIS TIC AS	Site address	34265 UĞUR MUMCU MAH. ESKİ EDİRNE ASFALTI NO: 636 KAT: 6 SULTANGAZI, İSTANBUL, TR
Site phone	+90 212 4765111	Site email	info@erbos.com.tr

Audit parameters

Time in and out	Day 1		Day 2	
	In	10:30	In	08:00
	Out	18:30	Out	13:00
Audit type	Periodic			
Was the audit announced?	Semi announced			
Was the Sedex SAQ available for review?	Yes			
Who signed and agreed CAPR?	ALEYNA BASKAYA / HR RESPONSIBLE			
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 is no union in the facility.		
Reason for absence during the audit	There is no union in the facility.		
Reason for absence at the closing meeting	There is no union in the facility.		

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)

Individual employee interviews were conducted with 2 management employees due to 4P requirements. //4P gerekliliklerinden dolayı 2 yönetim çalışanı ile bireysel çalışan görüşmesi yapılmıştır.

Lead auditor

EMINE IDIS

APSCA Number

21702434

Additional auditor

Date of declaration

2025-03-18

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	ALEYNA BASKAYA
Title	HR RESPONSIBLE
Date of declaration	2025-03-18

Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	§1	NC ZAF600844449
	5.B Ensure that workers receive the insurance...	§2	NC ZAF600844450
	5.C Ensure that any partial payments with in-...		GE ZAF-
3. Working conditions are safe and hygienic	3.K Ensure that all premises are safe and hav...	§3	NC ZAF-
9. No harsh or inhumane treatment is allowed	9.H Implement a formal process for workers to...		NC ZAF-
5.A. Living wages are paid	5.A.B Put in place a wage improvement plan th...		NC ZAF-

Local law issues

§1	In accordance with the Construction Zoning Law (No: 3194) (03/05/1985), Article 30, When the building is finished, it is possible to use the whole, partially If the parts are completed, in order for these parts to be used, the relevant Permission from the municipality and governorship is obligatory
§2	In accordance with Social Insurance and General Health Insurance Law; #5510/2006, Rev: 08.05.2008, Art. 80. The social insurance premiums of the employees are calculated and paid based on gross total wage paid to the employees in the related month. Turkish Labor Law # 4857 / 2003, ARTICLE 32-In general terms, the wage shall mean the amount provided and paid in cash to a person by the employer or third persons against performance of a designated work. Basically, the wage is paid as Turkish currency in the working place or deposit in a bank account in the name of the worker. Where it is agreed to pay the wage in foreign currency, Turkish equivalent of the agreed amount is calculated and paid over the current forex rate prevailing on the date of payment. The wages may not be paid in the form of bill payable to order (bond), or coupon or any other valuable paper alleged to represent a currency effective in the country. In accordance with Regulation about Compensation of all kinds of rights such as Wage, Bonus, Premium through Bank Accounts; No: 27058, Date: 18.11.2008, Art. 10. If the facility has at least 5 employees, net wages of the employees should be paid through bank account after the cut of legal deductions from gross wages.
§3	Turkish Labor Law # 4857 / 22.5.2003, Repealed provisions; Article 120: Other articles were repealed except for the 14th article of the Labor Law dated 25.8.1971 and numbered 1475. Turkish Labor Law # 1475 / 25.8.1971, Article 14, (Changes on 29/7/1983 – 2869/3. Art): In the calculation of the compensation mentioned in Article 13 and the wage that will be the basis for the severance pay in this article, the money provided to the worker and the benefits arising from the contract and law that can be measured in money are also taken into consideration.

Findings: non-compliances

ZAF600844449

Non-compliance

Due 2024-03-19

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

365 days

Issue title

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

Verification method

Follow up audit

Description

According to document review, management and employee interviews; The minimum wage portion of normal salaries is paid via bank transfer and social security premiums are reported based on this amount. However, the rest of the salaries and all overtime are paid in cash via the unofficial payroll. All records have been shared with auditor; payments are made in full and on time. //Doküman kontrolü, yönetim ve çalışan görüşmesine göre; Normal maaşların asgari ücret kısmı banka yoluyla ödenmektedir, ve sosyal sigorta primleri bu rakam üzerinden bildirilmektedir. Ancak maaşların geri kalan kısmı ve fazla mesailer gayri resmi bordro üzerinden elden ödenmektedir. Tüm kayıtlar denetçi ile paylaşılmıştır; ödemeler tam ve zamanında gerçekleşmektedir.

Area of non-compliance/non-conformance

Local law

Description (carried over)

İşletmede maaşların asgari kısmı sosyal sigorta bordrosu üzerinden ödenmektedir. Ancak maaşların geri kalan kısmı ve fazla mesailer gayri resmi bordro üzerinden elden ödenmektedir. Tüm kayıtlar denetçilerle paylaşılmıştır; ödemeler tam ve zamanında gerçekleşmektedir. / Minimum local wages are paid through official payroll submitted to the social insurance agency. Rest of salaries and overtime wages are paid by cash through unofficial payroll. All the records were shared with the auditor. The payments are done correctly and on time.

Corrective and preventative actions

Lütfen tüm ödemelerinizi(normal+fazla mesai) resmi bordro üzerinden yapınız./It is recommended to pay all wages (normal+overtime) through official payroll.

Corrective and preventative actions (carried over)

Lütfen tüm ödemelerinizi(normal+fazla mesai) resmi bordro üzerinden yapınız./It is recommended to pay all wages (normal+overtime) through official payroll.

Local law reference

In accordance with Social Insurance and General Health Insurance Law; #5510/2006, Rev: 08.05.2008, Art. 80. The social insurance premiums of the employees are calculated and paid based on gross total wage paid to the employees in the related month. Turkish Labor Law # 4857 / 2003, ARTICLE 32-In general terms, the wage shall mean the amount provided and paid in cash to a person by the employer or third persons against performance of a designated work. Basically, the wage is paid as Turkish currency in the working place or deposit in a bank account in the name of the worker. Where it is agreed to pay the wage in foreign currency, Turkish equivalent of the agreed amount is calculated and paid over the current forex rate prevailing on the date of payment. The wages may not be paid in the form of bill payable to order (bond), or coupon or any other valuable paper alleged to represent a currency effective in the country. In accordance with Regulation about Compensation of all kinds of rights such as Wage, Bonus, Premium through Bank Accounts; No: 27058, Date: 18.11.2008, Art. 10. If the facility has at least 5 employees, net wages of the employees should be paid through bank account after the cut of legal deductions from gross wages.

Explanation of difference in resolution time or verification method from the SMETA issue title recommendation

The resolution time or verification method from the SMETA issue title recommendation was selected at previous audit.

Evidence

[double booking evidence.pdf](#)

* PDF generated at 11:43 (UTC) on 04 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600844450

Non-compliance

Due 2024-05-06

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

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

Time given to resolve

60 days

Issue title

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

Verification method

Follow up audit

Description

According to the document review, and management statement, it was noted that meal costs provided in kind were not included in the calculation of severance pay paid to employees who left their jobs. // Doküman kontrolü ve yönetim beyanına göre, işten ayrılan çalışanlara ödenen kıdem tazminatı hesabına aynı olarak sağlanan yemek ücretlerinin dahil edilmediği not edilmiştir.

Area of non-compliance/non-conformance

Local law
Base code

Description (carried over)

According to the document review and management statement, it was noted that meal costs provided in kind were not included in the calculation of severance pay paid to employees who left their jobs. // Doküman incelemesi ve yönetim beyanına göre, işten ayrılan çalışanlara ödenen kıdem tazminatı hesabına aynı olarak sağlanan yemek ücretlerinin dahil edilmediği not edilmiştir.

Corrective and preventative actions

Please include in the compensation payments the money provided to the worker and the contractual and legal benefits that can be measured in money. // Lütfen, tazminat ödemelerine işçiye sağlanmış para ve para ile ölçülmesi mümkün akdi ve kanundan doğan menfaatleri katınız.

Corrective and preventative actions (carried over)

Please include in the compensation payments the money provided to the worker and the contractual and legal benefits that can be measured in money. // Lütfen, tazminat ödemelerine işçiye sağlanmış para ve para ile ölçülmesi mümkün akdi ve kanundan doğan menfaatleri katınız.

Local law reference

Turkish Labor Law # 4857 / 22.5.2003, Repealed provisions; Article 120: Other articles were repealed except for the 14th article of the Labor Law dated 25.8.1971 and numbered 1475. Turkish Labor Law # 1475 / 25.8.1971, Article 14, (Changes on 29/7/1983 – 2869/3. Art): In the calculation of the compensation mentioned in Article 13 and the wage that will be the basis for the severance pay in this article, the money provided to the worker and the benefits arising from the contract and law that can be measured in money are also taken into consideration.

Evidence

[severance payment without meal cost.pdf](#)

[Severance payment.JPG](#)

* PDF generated at 11:43 (UTC) on 04 Apr 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.K Ensure that all premises are safe and have valid safety certifications for their current layout and use. If it is currently not possible for a required license or certificate to be obtained, implement inspections by appropriate third parties to ensure building safety.

Time given to resolve

90 days

Verification method

Desktop audit

Issue title

854 - Buildings at the site are missing key safety documents but this does not imply significant or immediate risk (e.g. the site has the house property certificate but cannot demonstrate the building construction acceptance report or the construction safety appraisal report) - minor

Area of non-compliance/non-conformance

Local law

Base code

Description

According to the facility tour, the building consists of -1st, -2nd, 0th, 1st, 2nd, 3rd, 4th, 5th, 6th and penthouse floors. According to the fire department report dated 18.01.2018/14102; It was written that a 10-storey building with 2 basements and an penthouse. According to the building occupancy license dated 10.10.2022; The total number floors of the building is noted as 9. According to the facility tour, document control and management interview, the building on the penthouse floor is not included to building occupancy license. The company operates on the 4th, 5th, and 6th floors of the building and total closed area is 2500 sqm. The total closed area of the building is approximately 8500 sqm included penthouse. According to the management and employee interview, the attic is a wedding/meeting hall used by the building owner. //Saha turuna göre bina -1., -2., 0., 1., 2., 3., 4., 5., 6. ve çatı katından oluşmaktadır. 18.01.2018/14102 tarihli/nolu itfaiye raporuna göre; 2 bodrum katı ve çatı katı ile birlikte 10 katlı bina denmiştir. 10.10.2022 tarihli yapı kullanım izin belgesine göre; toplam kat sayısı 9 olarak not edilmiştir. Saha turu, doküman kontrolü ve yönetim görüşmesine göre çatı katında yer alan yapı kullanım izin belgesine dahil değildir. Yönetim ve çalışan görüşmesine göre çatı katı bina sahibi tarafından kullanılan düğün/toplantı salonudur. Firma binanın 4.,5.,6. katlarında faaliyet göstermektedir ve toplam kapalı alanı 2500 m2'dir. Binanın çatı katı dahil tahmini olarak toplam kapalı alanı 8500 m2 civarındır.

Corrective and preventative actions

Lütfen binaya ait tüm katlar ve alanların yapı kullanım iznine dahil olduğuna dair evrak sağlayınız./ Please provide document evidencing that all areas in use in the building is registered to the building occupancy permit.

Local law reference

In accordance with the Construction Zoning Law (No: 3194) (03/05/1985), Article 30, When the building is finished, it is possible to use the whole, partially If the parts are completed, in order for these parts to be used, the relevant Permission from the municipality and governorship is obligatory

Evidence

[Building occupancy permit evidence.pdf](#)

* PDF generated at 11:43 (UTC) on 04 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

Code area

9 No harsh or inhumane treatment is allowed

Status

Open*

Workplace requirement

9.H Implement a formal process for workers to be able report grievances (concerns, complaints, or problems) without fear of retaliation. The grievance mechanism should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, continuously improving and based on engagement and dialogue.

Time given to resolve

60 days

Verification method

Desktop audit

Issue title

586 - Grievance committee in place, but it is not effective

Area of non-compliance/non-conformance

Base code

Description

According to document review, employee, and management interviews; The last evaluation meetings regarding the grievance mechanism were held in February 2025 and the notifications received through the open door policy were not recorded. It has been determined that the grievance mechanism evaluation meetings were held in the last 12 months.// Doküman kontrolü, çalışan ve yönetim görüşmesine göre; şikayet mekanizması ile ilgili değerlendirme toplantıları en son Şubat 2025 yılında yapılmış ve açık kapı politikası gelen bildirimler kayıt altına alınmamıştır. Son 12 ayda şikayet mekanizması değerlendirme toplantılarının yapıldığı tespit edilmiştir.

Corrective and preventative actions

Please ensure that the committee on the grievance mechanism works effectively. Record verbal requests and complaints and inform employees of the actions taken. // Lütfen şikayet mekanizması ile ilgili kurulun etkin çalışmasını sağlayınız. Sözlü iletilen dilek-şikayetleri kayıt altına alınız ve alınan aksiyonları çalışanlara bildiriniz

Evidence

[Grievance mechanism evidence..jpg](#)

* PDF generated at 11:43 (UTC) on 04 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF-

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

Workplace requirement

5.A.B Put in place a wage improvement plan that aims to pay workers a living wage within a stated timeframe.

Time given to resolve**Verification method**

Collaborative action required

Issue title

905 - CAR: A wage improvement plan (with Living Wage as the goal) has not been completed

Area of non-compliance/non-conformance

Base code

Description

According to the document control and management interview; living wage calculation and difference analysis have been made. However, a wage improvement plan aiming to pay the workers a living wage within a certain period of time has not been established yet. // Doküman kontrolü ve yönetim görüşmesine göre; geçim ücreti hesaplaması ve fark analizi yapılmıştır. Ancak aradaki farkın, işçilere belirli bir zaman dilimi içinde yaşam ücreti ödemeyi amaçlayan bir ücret iyileştirme planı da henüz oluşturulmamıştır.

Corrective and preventative actions

Please conduct related analysis and provide a plan that aims to pay workers a living wage within a stated timeframe. // Lütfen ilgili analizleri yapın ve işçilere belirtilen bir zaman dilimi içinde yaşam ücreti ödemeyi amaçlayan bir plan hazırlayınız.

Evidence[living wage evidence..pdf](#)

* PDF generated at 11:43 (UTC) on 04 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

Findings: good examples

ZAF-

Good example

Code area

5 Legal wages are paid





































Workplace requirement

5.C Ensure that any partial payments with in-kind benefits do not exceed the national legal limit or the ILO recommended maximum of 50% of wages, whichever is lower.

Description

Based on management and worker interview, the meal is provided free of charge.//Yönetim ve çalışan görüşmesine göre; yemek çalışanlara ücretsiz olarak sağlanmaktadır.

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>