

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	ZS1000104484	Site name	Dongstar Wood Vietnam Company Limited (Lao Cai Province plant area)
Business name	Dongstar Wood Vietnam Company Limited	Site address	Hop Nhat Village, Yen Binh Commune, Lao Cai Province, Vietnam thôn Hợp Nhất- xã Thịnh Hưng- Yên Bình- Yên Bái Yen Binh Commune VN 852200

Audit details

Sedex company reference	ZC5000087914	Auditor company name	SGS-China	
Audit company address	No. 430, Jihua Road, Bantian, Longgang District, Shenzhen, CN, 518129			
Date of audit	2026-04-16	Audit conducted by	Bobo Wang	
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics			
Time in and out	Day 1		Day 2	
	In	09:45	In	09:00
	Out	17:45	Out	13:00
Audit type	Full initial			

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Was the audit announced? Semi announced

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? 刘俊超 Liu Junchao / 经理 Manager

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 on site.		
Reason for absence during the audit	There was no Union on site.		
Reason for absence at the closing meeting	There was no Union on site.		

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)

This audit is Semi-announced with 4 weeks window (2026/4/7-2026/5/8)

Lead auditor

Bobo Wang

APSCA Number

32400075

Additional auditor

Date of declaration

2026-04-17

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Site representation

Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	刘俊超 Liu Junchao
Title	经理 Manager
Date of declaration	2026-04-17

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 Base code	NC ZAF601398898
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	Local law Base code	NC ZAF601398899
	3.A Ensure a safe working environment. Put in...	Local law Base code	NC ZAF601398900
	3.A Ensure a safe working environment. Put in...	Local law Base code	NC ZAF601398901
	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601398902
	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601398903
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF601398904
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law Base code	NC ZAF601398905
10.A. Environment 2-Pillar	10.A.B Comply with relevant local, regional a...	Local law Base code	NC ZAF601398906

Findings: non-compliances

ZAF601398898

Non-compliance

Due 2026-05-24

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.

Time given to resolve

30 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

Based on document review, The address on the business license of the factory does not match the actual address. Actual production address: Hop Nhat Village, Yen Binh Commune, Lao Cai Province, Vietnam, Business license address: Tang 6 Toa nha ICON4, S6 243A De La Thanh, Phuong Lang, Thanh pho Ha Noi, Vietnam.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should update their business licenses in a timely manner as required.

Local law reference

LAW ON ENTERPRISES (No. 59/2020/QH14), Article 20

1. Enterprises must register with the business registration authority when changing the content of the Enterprise Registration Certificate as prescribed in Article 28 of this Law

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398906

Non-compliance

Due 2026-06-23

Code area

10.A Environment 2-Pillar

Status

Open*

[← Findings](#)

[Management systems →](#)

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

60 days

Issue title

637 - No monitoring of air emission limits as per legal requirements

Verification method

Desktop audit

Description

Based on documents review,the factory did not do exhaust gas monitoring.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should regularly test exhaust gas as required.

Local law reference

Environmental Protection Law (72/2020/0H14),Article 12. General Provisions on Air Environmental Protection

1. Organizations, households, and individuals engaged in production,business or service activities that emit dust or exhaust gases adversely affecting the in accordance with legal environment must minimize and treat such emissions regulations.
2. Periodic and continuous monitoring of air quality must be conducted as prescribed by law.
3. Timely notification and warnings of air pollution conditions must be issued to mitigate impacts on public health.
4. Observation, assessment, and control of emission sources for dust and gases must be implemented in compliance with legal regulations.

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398899

Non-compliance

Due 2026-06-23

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

60 days

Issue title

305 - No/inadequate air quality test

Verification method

Desktop audit

Description

Based on document review, the factory didn't conduct monitoring of occupational hazardous factors (such as air quality) for workshop (such as gluing) which exist occupational hazardous factors.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The Factory should conduct regular air quality tests as required.

Local law reference

LAW ON OCCUPATIONAL SAFETY AND HEALTH (Law No. 84/2015/QH13), Article 18.

Control of dangerous factors and hazardous factors at the workplace

1. Employers shall evaluate and control dangerous factors and hazardous factors at the workplace in order to work out occupational safety and health technical measures and take care of employees health: implement decontamination and disinfection in areas where there are hazardous or infectious elements.

2. For hazardous factors with permissible contact limits set by the Minister of Health to control their harm to employees' health, employers shall conduct working environment monitoring to assess hazardous factors at least once a year. Working environment monitoring organizations must meet all required conditions on physical foundations, equipment and manpower

3. For dangerous factors, employers shall regularly control and manage them in accordance with technical requirements to ensure occupational safety and health at the workplace and at least once a year organize inspection and assessment of these factors in accordance with law.

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398900

Non-compliance

Due 2026-06-23

Code area

3 Working conditions are safe and hygienic

Status

Open*

[← Findings](#)

[Management systems →](#)

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

60 days

Issue title

306 - No/inadequate dust level survey

Verification method

Desktop audit

Description

Based on document review, the factory didn't conduct monitoring of occupational hazardous factors (such as dust) for workshop (such as polishing) which exist occupational hazardous factors.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should conduct dust tests regularly as required.

Local law reference

LAW ON OCCUPATIONAL SAFETY AND HEALTH (Law No. 84/2015/QH13), Article 18.

Control of dangerous factors and hazardous factors at the workplace

1. Employers shall evaluate and control dangerous factors and hazardous factors at the workplace in order to work out occupational safety and health technical measures and take care of employees health: implement decontamination and disinfection in areas where there are hazardous or infectious elements.
2. For hazardous factors with permissible contact limits set by the Minister of Health to control their harm to employees' health, employers shall conduct working environment monitoring to assess hazardous factors at least once a year. Working environment monitoring organizations must meet all required conditions on physical foundations, equipment and manpower
3. For dangerous factors, employers shall regularly control and manage them in accordance with technical requirements to ensure occupational safety and health at the workplace and at least once a year organize inspection and assessment of these factors in accordance with law.

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398901

Non-compliance

Due 2026-06-23

Code area

3 Working conditions are safe and hygienic

Status

Open*

[← Findings](#)

[Management systems →](#)

Workplace requirement

3.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Time given to resolve

60 days

Issue title

307 - No/inadequate noise assessment conducted

Verification method

Desktop audit

Description

Based on document review, the factory didn't conduct monitoring of occupational hazardous factors (such as noise) for workshop (such as polishing) which exist occupational hazardous factors.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should conduct regular noise tests.

Local law reference

LAW ON OCCUPATIONAL SAFETY AND HEALTH (Law No. 84/2015/QH13), Article 18.

Control of dangerous factors and hazardous factors at the workplace

1. Employers shall evaluate and control dangerous factors and hazardous factors at the workplace in order to work out occupational safety and health technical measures and take care of employees health: implement decontamination and disinfection in areas where there are hazardous or infectious elements.

2. For hazardous factors with permissible contact limits set by the Minister of Health to control their harm to employees' health, employers shall conduct working environment monitoring to assess hazardous factors at least once a year. Working environment monitoring organizations must meet all required conditions on physical foundations, equipment and manpower

3. For dangerous factors, employers shall regularly control and manage them in accordance with technical requirements to ensure occupational safety and health at the workplace and at least once a year organize inspection and assessment of these factors in accordance with law.

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ZAF601398902

Non-compliance

Due 2026-05-24

Code area

3 Working conditions are safe and hygienic

Status

Open*

[← Findings](#)

[Management systems →](#)

Workplace requirement

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

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

Based on onsite observation, the factory provided PPE to workers, while about 30% workers didn't wear PPE. For instance: some of the workers in the polishing process (dust and noise) were not wearing masks or earplugs.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should supervise employees to wear PPE correctly.

Local law reference

LAW ON OCCUPATIONAL SAFETY AND HEALTH (Law No. 84/2015/QH13), Article 23:

Article 23. Personal protective equipment at work

3. When providing personal protective equipment, employers shall abide by the following principles.

- a/ Ensuring proper types of personal protective equipment for eligible employees, adequate quantity and proper quality according to national standards and technical regulations;
- b/ Not providing money instead of personal protective equipment, neither requiring employees to buy personal protective equipment by themselves nor collecting money from them to buy personal protective equipment;
- c/ Instructing and monitoring employees in using personal protective equipment,
- d/ Organizing the implementation of detoxification, disinfection and radioactive decontamination to ensure hygiene for personal protective equipment which has been used in areas at risk of intoxication, infection and radioactive contamination.

Evidence

[Didn't wear PPE.jpg](#)

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398903

Non-compliance

Due 2026-05-24

[← Findings](#)

[Management systems →](#)

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

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

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law
Base code

Description

Based on onsite observation, the factory has not posted occupational disease hazard notification cards in areas with occupational disease hazard factors. For instance: The grinding workshop has occupational disease hazard factors such as noise and dust, and the polishing workshop has occupational disease hazard factors such as chemicals. However, the corresponding occupational disease hazard notice cards have not been posted.

Corrective and preventative actions

The factory should post occupational disease hazard notification cards as required.

Local law reference

LAW ON OCCUPATIONAL SAFETY AND HEALTH (Law No. 84/2015/QH13), Article 16.
Responsibilities of employers in ensuring occupational safety and health at the workplace
6. To place noticeable warning and instruction signboards in Vietnamese and popular languages of employees on occupational safety and health for machinery, equipment, supplies and substances subject to strict requirements for occupational safety and health at the workplace and in places of their storage, preservation and use.
7. To provide information, communication or training to employees on occupational safety and health regulations, rules and procedures, measures to prevent and control dangerous factors and hazardous factors at the workplace related to their assigned work or tasks.

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398904

Non-compliance

Due 2026-05-24

Code area

3 Working conditions are safe and hygienic

Status

Open*

[← Findings](#)

[Management systems →](#)

Workplace requirement

3.N Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.

Time given to resolve

30 days

Issue title

240 - No/inadequate safety measures/anti-explosion measures for chemicals (e.g. no anti-leaking system/secondary container/unbunded)

Verification method

Desktop audit

Description

Based on onsite observation, some of the chemicals used in the factory were not equipped with secondary containers. For instance: The glue used in the gluing process of the factory and anti-wear fluid for factory workshops.

Area of non-compliance/non-conformance

Local law

Base code

Corrective and preventative actions

The factory should provide secondary containers for all chemicals.

Local law reference

LAW ON CHEMICALS (Law No.28/2018/0H14), Article 30. Rights and Obligations of Organizations and Individuals Using Chemicals to Produce Other Products/Goods

2. Organizations and individuals using chemicals to produce other products/goods shall fulfill the following obligations:

- a/ Comply with regulations on chemical safety management;
- b/ Appoint a chemical safety officer, ensure material and technical foundations and professional competency in chemical safety that match the quantity and characteristics of the chemicals,
- c/ Provide regular chemical safety training and retraining to workers:
- d/ Supply workers and managers with sufficient, accurate, and timely chemical safety information and guidance;
- d/ Develop chemical accident prevention and response measures or plans as required by Chapter VI of this Law;
- e/ Update and store information on the chemicals used in accordance with Article 53 of this Law.
- g/ Promptly notify chemical suppliers and chemical management agencies upon detecting new hazardous characteristics in the chemicals used:
- h/ Cooperate with state competent authorities in inspecting compliance with chemical safety regulations.

Evidence

[NO equipped with secondary containers\(Glue\).jpg](#)

[No equipped with secondary containers\(Anti-wear fluid\).jpg](#)

[← Findings](#)

[Management systems →](#)

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601398905

Non-compliance

Due 2026-07-23

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

90 days

Issue title

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

Verification method

Follow up audit

Description

The compulsory social insurance was insufficient.
Based on the management and worker interview and document review, remove 5 management member, the factory provided compulsory social insurance(Sickness, Maternity, labour accident and occupational disease, Retirement, Survivor allowance) to 2/29(6.9%) workers. There were totally 29 workers (including 0 retired workers and 0 new worker).

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

The factory should purchase compulsory social insurance for all employees as required.

Local law reference

LAW ON SOCIAL INSURANCE Law No. 41/2024/QH15 Article 2. Compulsory social insurance and voluntary social insurance participants

1. Employees being Vietnamese citizens who are subject to participation in compulsory social insurance include:

a/ Persons working under indefinite-term labor contracts, labor contracts with a term of full 1 month or longer, including also cases in which employees and employers agree upon other contract titles but their labor contracts must have contents showing the paid job performance and management and supervision by one of them;

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

Timescales was confirmed by factory.

Evidence

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[Management systems →](#)

[The compulsory social insurance was insufficient.jpg](#)

* PDF generated at 05:14 (UTC) on 24 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

[← Findings](#)

[Management systems →](#)

Audit company:
SGS-China

Audit reference:
ZAA600198256

Start Date:
2026-04-16

End Date:
2026-04-17

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


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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

Guidance

The Corrective Action Plan Report (CAPR) summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI base code, local laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances/ non-conformances.

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

Next steps:

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

[← Management systems](#)

Management Systems Assessment (MSA)

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

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

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

For more information on management systems please refer to the Management Systems workbooks.

Collaborative Action Required

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

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

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

Collaborative Action Required findings require a different way of working from other NCs for buyer and supplier members. The activities required to close these issues may involve actions from both buyers and suppliers, as well as additional stakeholders such as third-party labour providers, impacted workers, local NGOs, and trade unions.

[← Guidance](#)

Due to the complexity of the issues and the spectrum of potential stakeholders that may need to act, CARs may need long-term closure plans, potentially spanning multiple years. To facilitate a longer-term approach and to reduce the likelihood of undue pressure on suppliers to close issues that may be out of their control, Sedex does not prescribe a closure date nor a verification methodology for these findings. Sedex encourages all its members to work collaboratively and responsibly on these issue areas, sharing responsibilities and actions as appropriate.

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

For Suppliers

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

For Buyers

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

For Auditors

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



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

[← Guidance](#)