

# SMETA Corrective Action Plan Report (CAPR)

Version 7



# Contents

[Audit content](#)

[Audit details](#)

[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 and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA declaration.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

## 2-pillar audits include:

- Labour standards:
  - 0. Enabling accurate assessment
  - 1. Employment is freely chosen
    - 1.A. Responsible recruitment and entitlement to work
  - 2. Freedom of association and right to collective bargaining are respected
  - 4. Child labour shall not be used
  - 5. Legal wages are paid
    - 5.A. Living wages are paid
  - 6. Working hours are not excessive
  - 7. No discrimination is practiced
  - 8. Regular employment is provided
    - 8.A. Sub-contracting and homeworkers are used responsibly
  - 9. No harsh or inhumane treatment is allowed
- Health and safety:
  - 3. Working conditions are safe and hygienic
- Environment:
  - 10.A. Environment 2-pillar

## 4-pillar audits include, in addition to the above:

- Environment:
  - 10.B. Environment 4-pillar
- Business ethics:
  - 10.C. Business ethics

**(2)** Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

**(3)** Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

# Audit details

## Site details

<b>Sedex site reference</b>	ZS4822177	<b>Site name</b>	Gallant Jewelry
<b>Business name</b>	Gallant Jewelry	<b>Site address</b>	F-25, SEZ - Phase 2, Sitapura Tonk Road Jaipur IN 302022

## Audit details

<b>Sedex company reference</b>	ZC4403934	<b>Auditor company name</b>	SGS ASIA	
<b>Audit company address</b>	226, Udyog Vihar, Phase 1, Gurgaon, IN, 122015			
<b>Date of audit</b>	2026-03-24	<b>Audit conducted by</b>	Surendar Khandelwal	
<b>Audit pillars</b>	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics			
<b>Time in and out</b>	Day 1		Day 2	
	In	09:30	In	09:30
	Out	18:30	Out	14:00
<b>Audit type</b>	Periodic			
<b>Was the audit announced?</b>	Semi announced			

[← Contents](#)

[Findings →](#)

Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Mr. Bhawani Singh / Manager - HR

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 not Trade union and legally not required		
Reason for absence during the audit	There is not Trade union and legally not required		
Reason for absence at the closing meeting	There is not Trade union and legally not required		

# 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)

Semi announced Audit - Window - 23rd March to 23rd April

### Lead auditor

Surendar Khandelwal

### APSCA Number

32400358

### Additional auditor

Ashwin Iyer

### APSCA Number

32200633

### Date of declaration

2026-03-25

[← Contents](#)

[Findings →](#)

---

## Site representation

<b>Declaration</b>	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
<b>Full name</b>	Mr. Bhawani Singh
<b>Title</b>	Manager - HR
<b>Date of declaration</b>	2026-03-25

## Summary of findings

Code area	Workplace requirement	Area of NC	Finding
<b>0. Enabling accurate assessment</b>	0.C Provide an accurate site description and ...	Local law	NC <a href="#">ZAF601370594</a>
<b>3. Working conditions are safe and hygienic</b>	3.A Ensure a safe working environment. Put in...	Local law	NC <a href="#">ZAF601370591</a>
	3.F Have a system in place to measure the eff...	Base code	NC <a href="#">ZAF601370595</a>
	3.G Provide sufficient first-aid supplies ons...	Local law	NC <a href="#">ZAF601370592</a>
	3.H Where identified as necessary to reduce r...	Local law	NC <a href="#">ZAF601370587</a>
	3.H Where identified as necessary to reduce r...	Local law	NC <a href="#">ZAF601370597</a>
	3.L Implement effective processes to manage f...	Local law	NC <a href="#">ZAF601370588</a>
	3.L Implement effective processes to manage f...	Local law	NC <a href="#">ZAF601370589</a>
	3.L Implement effective processes to manage f...	Local law	NC <a href="#">ZAF601370590</a>
	3.N Ensure that all hazardous substances (e.g...	Local law	NC <a href="#">ZAF601370593</a>
<b>9. No harsh or inhumane treatment is allowed</b>	9.H Implement a formal process for workers to...	Local law	NC <a href="#">ZAF601370596</a>

# Findings: non-compliances

ZAF601370594

Non-compliance

Due 2026-05-06

## Code area

0 Enabling accurate assessment

## Status

Closed (2026-04-16)\*

## 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

During the document review it is found the factory has extended the third floor, but facility has not obtained approved building plan from the concerned authority for extended third floor into use as a factory or part of a factory.

Furthermore, the Certificate of Stability for extended third floor has not obtained from a competent person.

Though the facility has applied for approval of extended third floor but the approval is awaited from concerned authority.

## Area of non-compliance/non-conformance

Local law

## Corrective and preventative actions

It is recommended to the facility to obtain the approved building drawings from concerned authority and also obtain a stability certificate from a competent person for third floor of building which in to use as a factory

## Local law reference

According to the Rajasthan Factory Rules - 3A. Submission and approval of plans.- (1) No site shall be used for the location of a factory or no building in a factory be constructed, extended or taken into use as a factory or part of a factory unless previous permission in writing is obtained from the Chief Inspector.

According to the Rajasthan Factory Rules 3C. Certificate of Stability.- (1) No manufacturing process shall be carried on in any building of a factory constructed, reconstructed or extended, or in any building which has been taken into use as a factory or part of a factory until a certificate of stability in respect of each building or block of building in the form given below has been sent by the occupier or manager of the factory to the Chief Inspector and accepted by the Chief Inspector.

[← Findings](#)

[Management systems →](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370591

**Non-compliance**

Due 2026-06-05

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

**Workplace requirement**

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

**Time given to resolve**

60 days

**Verification method**

Desktop audit

**Issue title**

319 - Lack of records/missing documentation for medical examinations or occupational health checks of workers in hazardous situations (e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

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

Local law

**Description**

During the document review it is found that facility is conducting medical examination who are employed in "Hazardous process" in regular interval, but facility is not conducting the medial examination of worker before employment who are employed in hazardous process.

**Corrective and preventative actions**

It is recommended to the facility management to conduct the pre-employment medical examination of the worker who are to be employed in hazardous process as pe the requirement of law.

**Local law reference**

According to the Rajasthan Factories rules 65-SS. Medical Examination.— (1) Workers employed in a 'hazardous process' shall be medically examined by a qualified medical practitioner hereinafter referred to as Factory Medical Officer in the following manner:— (a) Once before employment, to ascertain physical fitness of the person to do the particular job; (b) Once in a period of 6 months, to ascertain the health status of all the workers in respect of occupational health hazards to which they are exposed; and in cases where in the opinion of the Factory Medical Officer it is necessary to do so at a shorter interval in respect of any worker; (c) The details of pre-employment and periodical medical examinations carried out as aforesaid shall be recorded in the health Register in Form No.19.

[← Findings](#)

[Management systems →](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370595

Non-compliance

Due 2026-06-05

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-16)\*

**Workplace requirement**

3.F Have a system in place to measure the effectiveness of health and safety training carried out. Ensure training content is understood/implemented by workers.

**Time given to resolve**

60 days

**Issue title**

848 - There is no system to measure the effectiveness of health and safety training or there are systemic failures

**Verification method**

Desktop audit

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

Base code

**Description**

During the document review it is found that facility providing the Safety training, uses of PPEs training but not measured the effectiveness of training provided to the workers

**Corrective and preventative actions**

It is recommended to the facility management to develop a system of measurement of effectiveness of Safety trainings

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370592

Non-compliance

Due 2026-06-05

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

**Workplace requirement**

3.G Provide sufficient first-aid supplies onsite, and ensure that adequately trained personnel are available during all shifts.

**Time given to resolve**

60 days

**Issue title**

289 - First aid box available but contents are missing, out of date or otherwise inadequate

**Verification method**

Desktop audit

**Description**

During the site tour it is observed that facility has provided First Box at each floor of building including the production area but two first aid boxes placed at Canteen area and Occupational Health center are not distinctively marked with a red cross on a white ground

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

Local law

**Corrective and preventative actions**

It is recommended to the facility management to mark distinctively with a red cross on a white ground on the above referred first aid boxes as per the requirement of law.

**Local law reference**

According to the Rajasthan Factories Rules 67. First-aid appliance. — The first-aid boxes or cupboards shall be distinctively marked with a red cross on a white ground

**Evidence**

[First aid box not marked with red cross -1.jpg](#)

[First aid box not marked with red corss -2.jpg](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF601370587**

**Non-compliance**

Due 2026-05-06

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

**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

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

Local law

**Description**

During the site tour the worker working in maintenance department found in sleeper, not wearing the safety shoes

**Corrective and preventative actions**

It is recommended to the facility management to ensure the proper uses of appropriate type PPEs at workplace

**Local law reference**

According to the Rajasthan Factories Rules 11. Personal protective equipment. — (1) All workers exposed to the hazards in the processes covered by this schedule shall be provided with appropriate and approved type of personal protective equipment. Such equipment shall be in a clean sterile and hygienic condition before issue. (2) The occupier shall arrange to inform educate and supervise all the workers in the use of personal protective equipment while carrying out the job. (3) As regards any doubt regarding the appropriateness of any personal protective equipment the decision of the chief inspector will be final.

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370597

Non-compliance

Due 2026-05-06

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-22)\*

[← 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**

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

**Description**

During the site tour it is found the worker working at Anti Tarnish Tank exposed hazardous process but no working instruction is displayed to draw his attention

**Corrective and preventative actions**

It is recommended to the facility management to display the instruction of handling of process to draw his attention to prevent him from the hazard/risk associated with the process.

**Local law reference**

According to the Rajasthan Factories rule Part – II  
 4. Cautionary notices and instructions. — (1) Cautionary notices in a language understood by the majority of workers shall be prominently displayed in all hazardous areas drawing the attention of all workers about the hazards to health, hazards- involving fire and explosion and any other hazard such as consequences of testing of material or substances used in the process or using any contaminated container for drinking or eating, to which the workers attention should be drawn for ensuring their safety and health.

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370588

**Non-compliance**

Due 2026-06-05

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

**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**

60 days

**Issue title**

210 - Inadequate/poorly functioning emergency lighting

**Verification method**

Desktop audit

**Description**

During the facility tour it is found that emergency light provided in gold department found non operational.

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

Local law

**Corrective and preventative actions**

It is recommended to the facility management to ensure that all emergency lights are operational.

**Local law reference**

According to the Rajasthan Factories Rules 63 (e) The exits shall be clearly visible and suitably illuminated with suitable arrangement, whatever artificial lighting is to be adopted for this purpose, to maintain the required illumination in case of failure of the normal source of electric supply.

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601370589

**Non-compliance**

Due 2026-05-06

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

**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**

209 - Not all emergency exits are properly marked and lighted

**Verification method**

Desktop audit

**Description**

Two fire exits signages at ground floor production area and on stairs are not marked in the language understood by majority of workers.

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

Local law

**Corrective and preventative actions**

It is recommended to the facility to mark the exit signage of above two referred area in the local language understood by majority of the employees.

**Local law reference**

According to Rajasthan Factories Rules 63 (f) The exits shall be marked in a language understood by the majority of the workers.

**Evidence**

[Exit not marked in local language-1.jpg](#)

[Exit not marked in local language 2.jpg](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF601370590**

**Non-compliance**

Due 2026-05-06

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-16)\*

**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**

190 - No fire fighting equipment signage/labelling/instructions

**Verification method**

Desktop audit

**Description**

During the facility round, it is noted that fire equipment such as fire extinguisher, fire hydrant system is not provided Serial number to referred to in the records

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

Local law

**Corrective and preventative actions**

It is recommended to the facility management to allot Serial Number to each fire fighting equipment for identification so that it can be referred to in the records.

**Local law reference**

According to the Rajasthan Factories Rules 63 (11) First-aid fire fighting arrangements - (i) Each first-aid fire fighting equipment shall be allotted a serial no. by which it shall be referred to in the records. The following details shall be painted with white paint on the body of each equipment.

1. Serial number:
2. Date of last refilling; and
3. Date of last inspection.

**Evidence**

[No Sr. no alloted to fire equipment 2.jpg](#)

[No Sr No alloted to fire equipmrent -1.jpg](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF601370593**

**Non-compliance**

Due 2026-06-05

**Code area**

3 Working conditions are safe and hygienic

**Status**

Closed (2026-04-17)\*

[← 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**

60 days

**Issue title**

230 - No material safety data sheet (MSDS) obtained/available

**Verification method**

Desktop audit

**Description**

During the site tour, it is found that Methanol, highly toxic material is stored in chemical store but not MSDS found displayed.

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

Local law

**Corrective and preventative actions**

It is recommended to the facility management to make available/display Material Safety Data Sheet (MSDS) in respect of Methanol stored in the chemical store

**Local law reference**

According to the Rajasthan Factories Rules 65-N. Collection and development and dissemination of information.— (1) The occupier of every factory carrying on a 'hazardous process' shall arrange to obtain or develop information in the form of Material Safety Data Sheet (MSDS) in respect of every hazardous substance or material handled in the manufacture, transportation and storage's in the factory

**Evidence**

[No MSDS provided for Methanol stored in the chemical store.jpg](#)

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

**ZAF601370596**

**Non-compliance**

Due 2026-07-05

**Code area**

9 No harsh or inhumane treatment is allowed

**Status**

Closed (2026-04-17)\*

**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**

90 days

**Verification method**

Desktop audit

**Issue title**

585 - No grievance committee in place contrary to legal requirement

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

Local law

**Description**

During the document review it is noted that facility has formed the Grievance redressal committee but not designated Chairperson of the committee as per the requirement of law.

**Corrective and preventative actions**

It is recommended to the facility management to Designate the Chairperson of the committee from the employer and among the workmen alternately as per the requirement of applicable law.

**Local law reference**

According to THE INDUSTRIAL DISPUTES (AMENDMENT) ACT, 2010 9C (1) Every industrial establishment employing twenty or more workmen shall have one or more Grievance Redressal Committee for the resolution of disputes arising out of individual grievances. (2) The Grievance Redressal Committee shall consist of equal number of members from the employer and the workmen. (3) The chairperson of the Grievance Redressal Committee shall be selected from the employer and from among the workmen alternatively on rotation basis every year. (4) The total number of members of the Grievance Redressal Committee shall not exceed more than six: Provided that there shall be, as far as practicable, one woman member if the Grievance Redressal Committee has two members and in case the number of members are more than two, the number of women members may be increased proportionately. (5) Notwithstanding anything contained in this section, the setting up of Grievance Redressal Committee shall not affect the right of the workman to raise industrial dispute on the same matter under the provisions of this Act.

\*

\* PDF generated at 08:17 (UTC) on 22 Apr 2026. [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


[← Findings](#)


[Guidance →](#)

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

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

## Guidance

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

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

### Next steps:

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

[← Management systems](#)

## Management Systems Assessment (MSA)

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

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

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

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

## Collaborative Action Required

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

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

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

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

[← Guidance](#)

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

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

#### **For Suppliers**

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

#### **For Buyers**

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

#### **For Auditors**

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



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

[← Guidance](#)