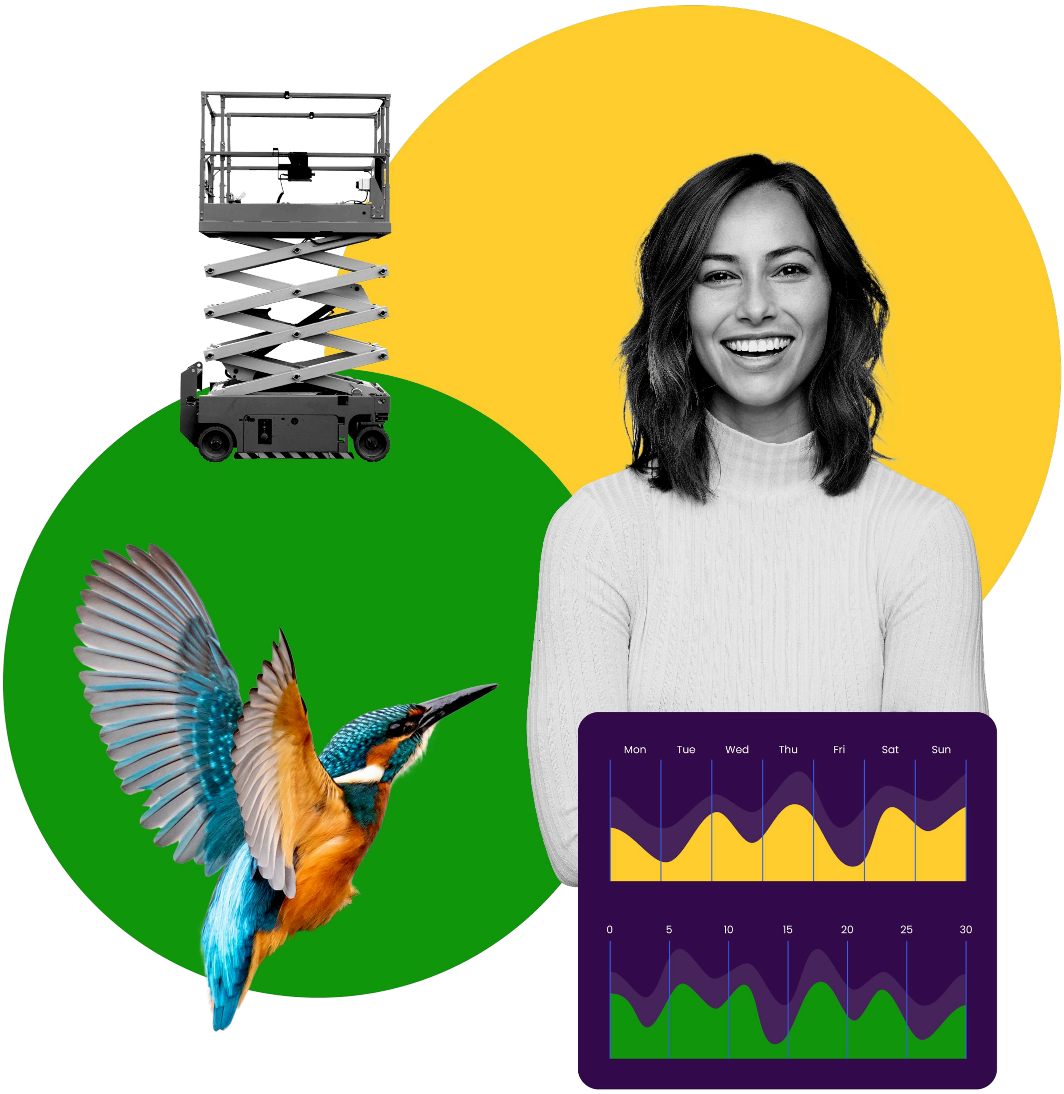
SMETA Corrective Action Plan Report (CAPR)

Version 7



Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

Contents

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	ZS403344318	**Site name**	Muang Mai Guthrie Public Company Limited (Surat brance)
Business name	Muang Mai Guthrie Public Company Limited	**Site address**	7 Moo 8, Klongcha Eun, Phanom, Surat thani TH 84250

Audit details

Sedex company reference	ZC403342877	**Auditor company name**	SGS Thailand
Audit company address	238 TRR Tower, 19th-21st Floor, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yannawa,, Bangkok, TH, 10120		
Date of audit	2026-01-14	**Audit conducted by**	Thanita Khlaikamon
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

	Day 1		Day 2		Day 3	
	In	10:00	In	09:00	In	09:00
	Out	17:00	Out	19:00	Out	15:00

Audit type	Full initial

← Contents

Findings →

Was the audit announced?	Announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Maliwan Nakthongkaew / QMR
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 in the company as it is not required by law. However, the factory appointed welfare committee for worker representatives.		
Reason for absence during the audit	There was no union in the company as it is not required by law. However, the factory appointed welfare committee for worker representatives.		
Reason for absence at the closing meeting	There was no union in the company as it is not required by law. However, the factory appointed welfare committee for worker representatives.		

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Findings →

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)	Nil		
Lead auditor	Thanita Thanita Khlaikamon	**APSCA Number**	32200913
Additional auditor			
Date of declaration	2026-01-16		

← Contents Findings →

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	Maliwan Nakthongkaew
Title	QMR
Date of declaration	2026-01-16

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
1.A. Responsible recruitment and entitlement to work	1.A.I Verify that workers who are found to pa...	Base code	NC ZAF-
3. Working conditions are safe and hygienic	3.L Implement effective processes to manage f...	Local law Base code	NC ZAF-
	3.L Implement effective processes to manage f...	Local law Base code	NC ZAF-
	3.L Implement effective processes to manage f...	Base code	NC ZAF-
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF-
	3.N Ensure that all hazardous substances (e.g...	Local law Base code	NC ZAF-
	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF-
5.A. Living wages are paid	5.A.A Review workers' total pay including ben...	Base code	NC ZAF-
6. Working hours are not excessive	6.D Ensure that working hours do not exceed 6...	Base code	NC ZAF-
	6.H Ensure that overtime is always compensate...	Base code	NC ZAF-

← Contents
Management systems →

Findings: non-compliances

ZAF-

Non-compliance

Code area

1.A Responsible recruitment and entitlement to work

Workplace requirement

1.A.I Verify that workers who are found to pay recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs), are fully reimbursed in a timely manner.

Issue title

828 - CAR: Recruitment fees and/or costs have been paid, not contrary to law, and there is no plan in place to fully reimburse workers

Description

Based on management representative interviews, employee interviews and document reviews, it was found that migrant employees (Burmese) who came to work at this company were charged a service fee for work permit processing and legal employment documentation, reaching a maximum of 6,500 THB per case.

However, the company has established a recruitment fee policy, which became effective in January 2026, to take responsibility for all costs related to work permit processing and legal employment documentation for all migrant workers.

Corrective and preventative actions

The factory should ensure that migrant workers was not required to pay any fees related to recruitment or employment for working, all recruitment fees and associated costs should be borne by the employer in compliance with fair labor practices.

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 16:26 (UTC) on 16 Jan 2026. 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*

← Findings

Management systems →

Workplace requirement

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

Issue title

194 - Sprinkler system does not meet legal requirements

Description

Based on site observation, company representative interviews and document reviews (plant layout and Methyl Methacrylate (MMA) Safety Data Sheet; SDS), it was found that no automatic fire suppression system has been installed at the flammable liquid storage area which has a total consecutive space exceeding as required by local law. However, the company has provided adequate portable fire extinguishers in the area.

Corrective and preventative actions

The facility should install an automatic fire suppression system covering all flammable chemical storage areas that exceed the size thresholds specified in accordance with legal requirements.

Local law reference

Notification of the Ministry of Industry Subject: Fire Prevention and Suppression in Factories, B.E. 2552 (2009), Chapter 5: Automatic Fire Suppression Systems, Clause 14: Storage areas for flammable materials with a floor area of 14 square meters or more must be equipped with an automatic fire suppression system suitable for the specific characteristics of that area.

Evidence

NC_Auto fire suppression.jpg

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

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

Issue title

201 - Fire exits are inadequate or less than required by law, causing a significant and widespread risk to life

Description

Based on site observation, company representative interviews and a review of the fire evacuation route map, it was found that the designated fire exit doors in the following areas were sliding doors and rolling shutters, which do not swing outwards in the direction of evacuation as legally required:
- MG Building
- SKM Building
However, it was observed that these doors were kept unlocked and remained open during working hours.

Corrective and preventative actions

The facility should ensure that all final emergency exit doors are that comply with local laws.

Local law reference

Ministerial Regulation on the Standards for Administration and Management of Occupational Safety, Health, and Environment Related to Fire Prevention and Suppression, B.E. 2555 (2012), Chapter 2: Building Safety and Fire Exits, Clause 8: The employer shall provide at least two fire escape routes on every floor of the building, ensuring that all employees working simultaneously can evacuate to a safe area within five minutes. The path from the workstation to the assembly point must be free from obstructions. Doors along fire escape routes must be constructed of fire-resistant materials, have no thresholds or barriers, and be of a swing-type that opens in the direction of evacuation. Such doors must be equipped with self-closing devices. The use of sliding doors, rolling shutters, or revolving doors is strictly prohibited. Furthermore, fire exit doors must not be locked, bolted, chained, or secured in any manner that prevents them from being opened while employees are working.

Evidence

NC_Exit door_2.jpg

NC_Exit door_1.jpg

Time given to resolve

Immediate

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 16:26 (UTC) on 16 Jan 2026. View this finding on the Sedex platform for live updates and closure details.

← Findings

Management systems →

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

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

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

Issue title

192 - Absence of functional fire alarms/smoke detectors

Description

Based on site observation and company representative interviews, it was found that the accommodation area was not equipped with adequate fire suppression and safety equipment for emergency preparedness, specifically;
- Fire alarm systems
- Emergency lighting

Corrective and preventative actions

The company shall provide equipment and training to worker that stay at accommodation.

Evidence

NC_Accommodation_2.jpg

NC_Accommodation_1.jpg

* PDF generated at 16:26 (UTC) on 16 Jan 2026. 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.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.

Issue title

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

Description

Based on site observation, company representative interviews, and document reviews, it was found that, no secondary containment was provided for the Ammonia Solution mixing tank to effectively prevent and contain potential leaks or spills.

Corrective and preventative actions

The facility should provide adequate secondary containment for all chemicals in both operational and storage areas to prevent the spread of chemical spills and minimize the risk of environmental contamination.

Local law reference

Ministerial Regulation on the Prescription of Standards for Hazardous Chemicals, B.E. 2556 (2013), Chapter 4: Storage, Packaging, and Transportation of Hazardous Chemicals, Clause 17 (8): The employer shall provide a storage facility for hazardous chemicals featuring containment curbs, dikes, or similar structures designed to trap liquid chemical leaks and prevent them from spreading beyond the storage area. Additionally, a conduit or drainage system must be provided to collect chemical spills for safe disposal and to prevent residue accumulation. This system must be strictly separated from the public or general drainage system.

Evidence

NC_Secondary containment.jpg

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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ZAF-

Non-compliance

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.

Issue title

237 - Improper storage of hazardous substances (e.g. chemicals and pesticides)

Description

Based on site observation and company representative interviews, it was found that LPG cylinders in the storage room were not securely fastened or chained to prevent them from falling or tipping over.

Corrective and preventative actions

The facility should secure all gas cylinders with safety chains or cages to prevent them from falling or tipping over in both storage and usage areas.

Local law reference

Ministerial Regulation on the Standards for Administration and Management of Occupational Safety, Health, and Environment Related to Fire Prevention and Suppression, B.E. 2555 (2012), Chapter 5, Clause 20 (4): Gas cylinders shall be securely fastened with chains or other suitable restraints to prevent them from falling or tipping over.

Evidence

NC_LPG station.jpg

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.O Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

Issue title

228 - Unsafe handling of electrical equipment e.g. no rubber mats in front of electricity panels

Description

Based on site observations and company representatives interviews, it was found that no insulating rubber mats or other non-conductive floor coverings have been provided in front of the Main Distribution Board (MDB) panels to prevent a risk of electrical to personnel during the operation or maintenance of electrical equipment.

Corrective and preventative actions

The company must provide insulating rubber mats or non-conductive flooring in front of MDB panels to mitigate electrical hazards.

Local law reference

Ministerial Regulation Prescribing Standard for Administration, Management, and Operations regarding Occupational Safety, Health and Environment in relation to Electricity, B.E. 2558 (2015), Chapter 2 Electrical Equipment and Generators, Clause 17: In cases where electrical equipment operates at a voltage exceeding fifty volts, the employer shall provide protective barriers or install electrical insulating mats on the floor to prevent hazards from contact.

Evidence

NC_Rubber mat.jpg

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

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ZAF-

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

Workplace requirement

5.A.A Review workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap', and understand what proportion of the workforce has a gap.

Issue title

903 - CAR: A living wage gap analysis has not been completed

Description

Based on employee interviews, company representative interviews, and document review (payroll records), it was found that there is no living wage analysis in place to determine if any gaps exist. However, the factory pays above the minimum wage (THB 352 per day or higher), provides compensation for overtime work, and offers benefits to employees as required by law.

Corrective and preventative actions

The factory should establish a living wage gap analysis and wage improvement plan (if necessary).

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 16:26 (UTC) on 16 Jan 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

6.D Ensure that working hours do not exceed 60 hours in a standard working week for any worker, except where all of the following are met: this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies

Issue title

473 - Total hours exceed 60 hours per week - ETI requirements are not met - systemic

Description

Based on employee interviews, company representative interviews, and document reviews (time attendance and payroll records for April, June, and December 2025), it was found that a sample of employees had worked in excess of 60 hours per week as follows:

- In April 2025: 1 out of 26 sampled employees worked more than 60 hours; the maximum was 67 hours per week (48 normal working hours + 19 overtime hours).

- In December 2025: 7 out of 26 sampled employees worked more than 60 hours; the maximum was 68 hours per week (48 normal working hours + 20 overtime hours).

However, the company remains in compliance with local laws, as the total working hours did not exceed 84 hours per week and overtime did not exceed 36 hours per week.

Corrective and preventative actions

The company shall ensure that total working hours do not exceed 60 hours per week.

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 16:26 (UTC) on 16 Jan 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area

6 Working hours are not excessive

Status

Open*

← Findings

Management systems →

Workplace requirement

6.H Ensure that overtime is always compensated at a premium rate, which is not less than 125% of the regular rate of pay.

Issue title

457 - Overtime hours are not paid according to SMETA guidance (at the premium rate of 125% basic hours) but this is not contrary to law - systemic

Description

Lee Path Security Guard Services Limited (Security Service Provider)_Based on employee interviews and a review of time and payroll records for December 2025, it was found that security guards did not receive the premium rate (125%) for overtime working hours as required by the ETI Base Code.

However, the facility paid for overtime at a rate of 100%, which is in compliance with local law.

Corrective and preventative actions

The security guard company should pay overtime premiums as ETI based code.

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 16:26 (UTC) on 16 Jan 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

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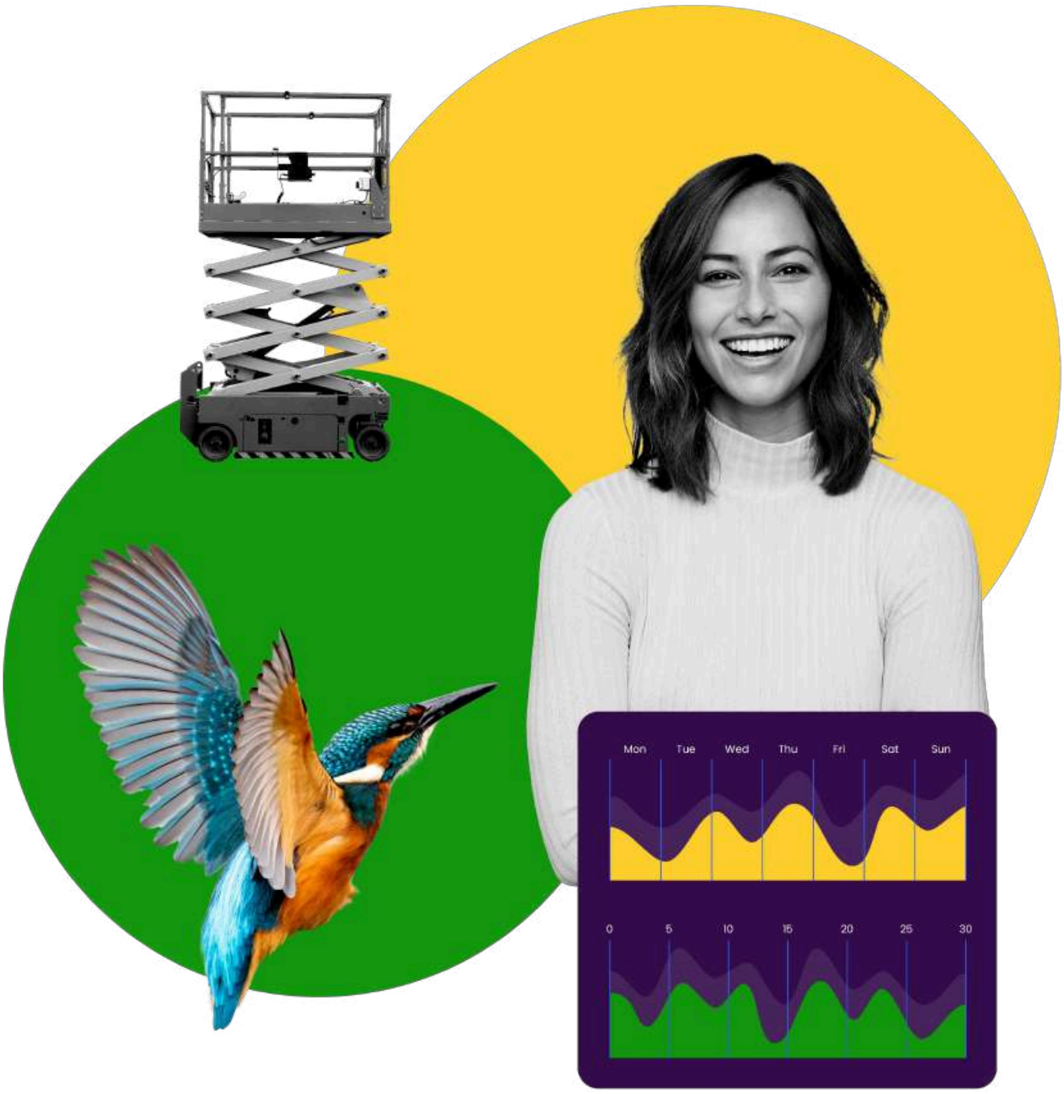
Version 7



Sedex, 18 St Swithin's Lane, London, EC4N 8AD, United Kingdom

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

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  - 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.

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Audit details

Site details

Sedex site reference	ZS403344274	**Site name**	Muang Mai Guthrie Public Company Limited (Thungsong brance)
Business name	Muang Mai Guthrie Public Company Limited	**Site address**	329 Moo 2, Thamyai, Thungsong, NakornSri Thammarat TH 80110

Audit details

Sedex company reference	ZC403342877	**Auditor company name**	SGS Thailand
Audit company address	238 TRR Tower, 19th-21st Floor, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yannawa,, Bangkok, TH, 10120		
Date of audit	2025-11-19	**Audit conducted by**	Soontareeya Sirisoonthonjareon
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Time in and out

	Day 1		Day 2		Day 3	
	In	09:30	In	09:00	In	09:00
	Out	18:00	Out	18:00	Out	17:00

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Audit type	Full initial
Was the audit announced?	Announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Khun Maliwan Nakthongkaew / QMR
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 in the company as it is not required by law. However, the company appointed welfare committee for worker representatives.		
Reason for absence during the audit	There was no union in the company as it is not required by law. However, the company appointed welfare committee for worker representatives.		
Reason for absence at the closing meeting	There was no union in the company as it is not required by law. However, the company appointed welfare committee for worker representatives.		

SMETA declaration

Auditor team

SMETA declaration

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

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

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

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)	None		
Lead auditor	Soontareeya Sirisoonthonjareon	**APSCA Number**	32200139
Additional auditor			
Date of declaration	2025-11-21		

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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	Khun Maliwan Nakthongkaew
Title	QMR
Date of declaration	2025-11-21

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
1.A. Responsible recruitment and entitlement to work	1.A.G Undertake due diligence to understand t...	Base code	NC ZAF-
	1.A.I Verify that workers who are found to pa...	Base code	NC ZAF-
3. Working conditions are safe and hygienic	3.A Ensure a safe working environment. Put in...	Local law	NC ZAF-
	3.L Implement effective processes to manage f...	Local law	NC ZAF-
	3.M Ensure all machinery is installed, mainta...	Local law	NC ZAF-
5. Legal wages are paid	5.A Ensure that all workers (including non-em...	Base code	NC ZAF-
5.A. Living wages are paid	5.A.A Review workers' total pay including ben...	Base code	NC ZAF-
	5.A.B Put in place a wage improvement plan th...	Base code	NC ZAF-
6. Working hours are not excessive	6.A Ensure working hours (including overtime)...	Base code	NC ZAF-
	6.D Ensure that working hours do not exceed 6...	Base code	NC ZAF-

Findings: non-compliances

ZAF-

Non-compliance

Code area

1.A Responsible recruitment and entitlement to work

Workplace requirement

1.A.G Undertake due diligence to understand the type and value of recruitment fees and related costs of recruitment which workers have paid (legal or otherwise, as defined by the ILO and including travel and visa costs). Where international travel takes place, this must include both the departure and destination countries. This due diligence should include interviews or surveys of a sample of workers.

Issue title

824 - Some due diligence is undertaken to understand the type and value of recruitment fees and related costs of recruitment which workers have paid (legal or otherwise, as defined by the ILO and including travel and visa costs), but this is insufficient to meet the SMETA Workplace Requirements of this code section

Description

Based on interviews with foreign employees and confirmation from the factory's representative, it was noted that there were no procedure and record of undertaking due diligence for recruitment fees and related costs of recruitment about which workers have paid. All foreign employees applied for employment with the factory through walk-in applications. The employees personally paid various fees to the brokers, such as passport renewal and employer-change procedures. Although the factory facilitated coordination with the brokers for the employees' Notifying in the Kingdom for more than 90 days (Passport) reporting, the factory has not yet conducted any assessment or exercised oversight and control over these brokers regarding the fees charged

Corrective and preventative actions

The company shall establish procedure and keep record of monitoring for undertake due diligence for recruitment fees and related costs of recruitment which workers have paid.

Status

Open*

Time given to resolve

120 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area

1.A Responsible recruitment and entitlement to work

Workplace requirement

1.A.I Verify that workers who are found to pay recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs), are fully reimbursed in a timely manner.

Issue title

828 - CAR: Recruitment fees and/or costs have been paid, not contrary to law, and there is no plan in place to fully reimburse workers

Description

Based on employees' interviews, confirmation with management and document review, it was noted that migrant workers were solely required to pay for recruitment fees during the stage of recruitment process which were not responsible by the facility as per ETI Code of Conduct as the following details.
1. Change to a new employer fee THB 400.
2. Passport, visa and work permit package THB 13,500
while the factory has taken responsibility solely for coordinating the Notifying in the Kingdom for more than 90 days (Passport) reporting through the designated representative.

Remark: The factory is currently implementing a new policy under which it will cover all expenses for foreign employees in the next documentation cycle when their permit renewal is due on 1 January 2026.

Corrective and preventative actions

The factory should ensure that migrant workers was not required to pay any fees related to recruitment or employment for working, all recruitment fees and associated costs should be borne by the employer in compliance with fair labor practices.

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:27 (UTC) on 21 Nov 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.A Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.

Issue title

318 - Inadequate/isolated failure in conducting medical examinations or occupational health checks, including disease checks, of workers in hazardous situations(e.g. exposed to noise or dust) or working with hazardous substances (e.g. chemicals and pesticides)

Description

Based on confirmation with management and verification of confined space work activities (ES-CR-OSH-07/2) conducted on 11 November 2025, it was identified that the medical certificate required for confined space entry had been examined and issued on 26 June 2025 (five months prior). The issuing physician did not specify the validity period of the certificate. In accordance with the clarification provided by the Occupational Safety Division, the validity of a medical certificate is limited to 30 days from the date of the medical examination.

Corrective and preventative actions

The employer shall ensure the medical certificate is valid for one month from the date of the health examination and must correspond to the authorization letter permitting the employee to work in a confined space on each occasion.

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

← Findings

Management systems →

Local law reference

Ministerial Regulations prescribe standards for the administration, management and operation of occupational safety, health and working environment in relation to confined spaces B.E. 2562
Chapter 3, Clause 18
(12) Medical certificate for employees working in confined spaces
Reference: Department of Labour Protection and Welfare Safety Division
Letter No. Ror Ngor 0504/1776 dated 10 May 2019
According to Item 18 (12), which stipulates that:
The health examination results of employees working in confined spaces must be accompanied by a medical certificate. The details in the medical certificate shall comply with the form approved by the Medical Council resolution at Meeting No. 4/2018 on 19 April 2018. The form specifies that the information is divided into two parts: Part 1 — Information of the person requesting the health certificate; and Part 2 — Medical opinion.
Additional details specify that the examining physician must be a medical practitioner who is registered and licensed to practice medicine. The certificate must indicate the extent to which the applicant is physically fit. The medical certificate is valid for one month from the date of the health examination and must correspond to the authorization letter permitting the employee to work in a confined space on each occasion.
Therefore, the health examination results required under Item 18 (12) serve as a medical assessment certifying that the employee is physically fit and able to work in a confined space. Consequently, this does not result in the misuse of personal data.

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area	Status
3 Working conditions are safe and hygienic	Open*

Workplace requirement

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

Issue title

193 - Fire alarms/smoke detectors in place but isolated case of non-functional equipment

Description

Based on site observation, it was found that 2 out of 3 dormitory buildings are equipped with manual hand-crank fire alarm devices, which do not comply with the required automatic or manual-activation standards as stipulated by law.

Corrective and preventative actions

It is recommended that the management adopt practice to ensure that the fire alarm systems comply with approved automatic or manual-activation standards.

Local law reference

The Ministerial Regulation on the Prescribing of Standard for Administration and Management of Occupational Safety, Health and Environment in Relation to Fire protection B.E.2555 (2012) Section 9 'The employer shall provide fire alarm system in the place of operation for two stories up or total area is more than 300 meters up. The employer shall install the fire alarm system on each floor which shall include the following:'
(1) Fire alarm system shall be at least comprised of:
(a) The automatic fire alarm system and fire alarm switch that set off the alarm once activated.
(b) Fire alarm equipment should be clearly visible / and / or audible within the facility for all workers in the facility to be heard and acknowledged for fire evacuation.
(2) The fire alarm switch installation shall be visible and easily accessible or located along the fire exit route within the reach of not more than 30 meters from the employee working area.
(3) The fire alarm shall be unique warning sound and differently from those existing at the place of work in general and said warning shall not be used for other purposes.
(4) For hospital or location where the noise system is prohibited shall be provided the equipment or other methods such as visible strobe light or code that can be effectively seen and informed.

Evidence

IMG_8351.JPG

Fire alarm.JPG

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

* PDF generated at 10:27 (UTC) on 21 Nov 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

Workplace requirement

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

Issue title

270 - No licence or inadequate experience/training of company/engineer providing machinery maintenance

Description

Based on company representative interview, and document review, it was found that 23 Forklift drivers (were trained 6 hours which did not complete 12 hours (Counterbalance course) as per update law.
Remark: The refresh training course will be conducted on 11/12/2025 as per PO no. QT6810-SR-044 by Southern safety Co., Ltd.

Corrective and preventative actions

The factory should ensure that forklift driver training has certificate courses as per legal requirements.

Local law reference

Notification of the Department of Labor Protection and Welfare Regarding the Training Curriculum for Employees Who Will Operate Forklifts B.E. 2567 (2024) Clause 5: The training curriculum for employees who will operate forklifts, including the subject matter and duration of training, shall not be less than twelve hours, with details as legally specified in this Notification. Announcement of the Department of Labor Protection and Welfare Re: Training Curriculum for Crane Operators, Signalers to Crane Operators, Material Riggers or Crane Usage Supervisors, and Refresher Training related to Crane Operations Clause 3 The employer shall arrange for the employee to attend refresher training related to crane operations in any of the following cases: (1) An employee who has undergone training and worked for a period of two years. The training must be completed within ninety days before the completion of the two-year period. If the training is not organized within the specified timeframe, the employer must arrange for the employee to undergo theoretical training, theoretical testing, practical training, and practical testing according to the curriculum specified in Clause 2 (1) to Clause 2 (8), as the case may be.

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

← Findings

Management systems →

ZAF-

Non-compliance

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.A Ensure that all workers (including non-employee workers) are paid at least the legal minimum wage or legally recognised collective bargaining agreement (CBA) where one exists, whichever is higher.

Time given to resolve

60 days

Verification method

Follow up audit

Issue title

406 - Unable to verify wages due to missing/incomplete/inconsistent/inaccurate records

Area of non-compliance/non-conformance

Base code

Description

During the audit facility could not provide the time and payment records of Security guards contractor companies named security Rattana Tham Co., Ltd. payroll records for review. So that the compliance status of payment of wage, overtime, other benefits and working hours could not be fully verified for 2 out of 26 sample employees during the audit day.

Corrective and preventative actions

It is recommended that the management adopt practice to ensure that all payroll and time attendance records and other relevant payment records within 12 months of contractor employees are properly documented and maintained for review according to ETI requirement.

* PDF generated at 10:27 (UTC) on 21 Nov 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.A Review workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap', and understand what proportion of the workforce has a gap.

Issue title

903 - CAR: A living wage gap analysis has not been completed

Description

Based on interview with management representative confirmed that the facility didn't estimate the living wage with proper market survey to determine a potential gap between present local minimum wage and estimate living wage.

Corrective and preventative actions

The factory should establish a living wage gap analysis and wage improvement plan (if necessary).

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:27 (UTC) on 21 Nov 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

Workplace requirement

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

Issue title

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

Description

Based on interview with management representative confirmed that the facility did not have any wage improvement plan (with Living Wage as the goal).

Corrective and preventative actions

Facility should estimate the living wage and have a wage improvement plan (with Living Wage as the goal).

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area

6 Working hours are not excessive

Workplace requirement

6.A Ensure working hours (including overtime) are accurately recorded, and do not exceed legal limits or limits in collective bargaining agreements, whichever gives more protection for workers.

Issue title

463 - Unable to verify working hours due to missing/ incomplete/ inconsistent records

Description

During the audit facility could not provide the time and payment records of Security guards contractor companies named security Rattana Tham Co., Ltd. time records for review. So that the compliance status of payment of wage and overtime and working hours and overtime working hours could not be fully verified for 2 out of 26 sample employees during the audit day.

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Base code

Corrective and preventative actions

It is recommended that the management to adopt practice to ensure that all payroll and time attendance records and other relevant payment records within 12 months of contractor employees are properly documented and maintained for review according to ETI requirement.

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

Code area

6 Working hours are not excessive

Status

Open*

Workplace requirement

6.D Ensure that working hours do not exceed 60 hours in a standard working week for any worker, except where all of the following are met: this is allowed by national law; - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; - appropriate safeguards are taken to protect the workers' health and safety; and - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies

Issue title

473 - Total hours exceed 60 hours per week - ETI requirements are not met - systemic

Description

Based on document review (Time and payroll records in February 2025, May 2025 and October 2025) It was noted that
(1) 6 out of 26 sampled direct employees worked maximum 70.5 hours (48 regular hours + 22.5 Overtime hours) per week in February 2025.
(2) 3 out of 26 sampled direct employees worked maximum 66.5 hours (48 regular hours + 18.5 Overtime hours) per week in May 2025.
(3) 2 out of 26 sampled direct employees worked maximum 62.5 hours (48 regular hours + 14.5 Overtime hours) per week in October 2025.
However, the total working hours were not in excessive the legal working hour limit of 84 hours per week (48 regular hours and 36 overtime hours).

Corrective and preventative actions

It is recommended that the management to adopt practice to ensure that there is an effective monitoring and controlling system to ensure that the total of working hour per week shall not exceed 60 hours per week.

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:27 (UTC) on 21 Nov 2025. View this finding on the Sedex platform for live updates and closure details.

Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen	✓	✓	✓	✓
1.A. Responsible recruitment and entitlement to work	ⓘ	✓	ⓘ	ⓘ
2. Freedom of association and right to collective bargaining are respected	✓	✓	✓	✓
3. Working conditions are safe and hygienic	✓	✓	ⓘ	ⓘ
4. Child labour shall not be used	✓	✓	✓	✓
5. Legal wages are paid	✓	✓	ⓘ	ⓘ
6. Working hours are not excessive	✓	✓	ⓘ	ⓘ
7. No discrimination is practiced	✓	✓	✓	✓
8. Regular employment is provided	✓	✓	✓	ⓘ

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✓ Robust management systems

← 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

← Findings

Guidance →

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