SMETA Corrective Action Plan Report (CAPR)

Version 7



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

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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

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Findings →

Audit details

Site details

Sedex site reference	ZS1000103822	**Site name**	CLIENTOP INDUSTRIAL CO LIMITED
Business name	CLIENTOP INDUSTRIAL CO LIMITED	**Site address**	Floor 3, building 5. Port Industrial Park, Huiyang District, Huizhou 惠州市惠阳区口岸工业园5栋厂房3楼 广东省 CN 999077

Audit details

Sedex company reference	ZC5000087370	**Auditor company name**	LRQA
Audit company address	16th Floor, Cambridge House, Taikoo Place, 979 King's Road Quarry Bay, Hong Kong SAR, HK, HK		
Date of audit	2026-09-24	**Audit conducted by**	Johnny Chen
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		
Time in and out	Day 1 In 08:20 Out 16:30		
Audit type	Full initial		

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Findings →

Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Mr. Li Yin / Quality Supervisor
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 labor union established in the factory.		
Reason for absence during the audit	There was no labor union established in the factory.		
Reason for absence at the closing meeting	There was no labor union established in the factory.		

Was the audit announced?	Semi announced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	Mr. Li Yin / Quality Supervisor
Any conflicting information SAQ/Pre-Audit Info	No
Is further information available?	No

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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 labor union established in the factory.		
Reason for absence during the audit	There was no labor union established in the factory.		
Reason for absence at the closing meeting	There was no labor union established in the factory.		

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)	The semi-announced window of this audit is from September 21, 2026 to October 26, 2026.

Lead auditor	Johnny Chen	**APSCA Number**	21701249
Additional auditor	Jerry Chen	**APSCA Number**	21701220
Date of declaration	2026-09-24		

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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	Mr. Li Yin
Title	Quality Supervisor
Date of declaration	2026-09-24

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.O Implement an appropriate electrical safet...	Local law Base code	NC ZAF-
5. Legal wages are paid	5.B Ensure that workers receive the insurance...	Local law	NC ZAF-
6. Working hours are not excessive	6.F Ensure that where overtime is used, it is...	Local law	NC ZAF-
	6.I Undertake a review of appropriate frequen...	Base code	NC ZAF-

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Management systems →

Findings: non-compliances

ZAF-

Non-compliance

Code area

3 Working conditions are safe and hygienic

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

227 - Unmarked/incorrect labels/signage/instructions for electrics

Description

It was noted that no warning sign was marked on 1 out of 2 switch boxes in the factory.
在此次审核过程中，审核员发现工厂内2个电箱中的1个未安装警示标志。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should provide proper electrical training to workers, conduct regular electrical safety inspection, ensure that all electricity devices and circuits in the factory are marked with avoid electric shock warning signs.

Local law reference

In accordance with National Technical Specification for the Safety of Electric Equipment (GB19517-2023), Article 5.7.2, factors related to electrical safety information include but are not limited to: a) Rated values; b) Safety warnings; c) Manufacturer information; d) Safety graphical symbols; e) Wiring diagram; f) Safety colors; g) Safety signs. Warning Sign in the In accordance with Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7, electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.

Evidence

NC-No warning sign.JPG

Status

Open*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 07:06 (UTC) on 24 Sept 2026. View this finding on the Sedex platform for live updates and closure details.

ZAF-

Non-compliance

← Findings

Management systems →

Code area

5 Legal wages are paid

Workplace requirement

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

Issue title

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

Description

It was noted that a total of 25 employees were eligible to receive five types of social insurances in August 2026 according to the law. However, through review of the social insurance enrollment list, only 13 employees were enrolled in pension insurance, occupational injury insurance, unemployment insurance, medical insurance and child-bearing insurance.
在此次审核过程中，审核员发现在2026年8月，工厂有25名符合参保条件的员工中，只有13名参加了养老保险，工伤保险，失业保险，医疗保险和生育保险。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory shall ensure all eligible employees are entitled with all five types of social insurance schemes and therefore receive all of their statutory welfare to comply with the Law. Under situations, some employees might be reluctant to be enrolled and contribute to such social insurance's schemes, the factory should host training sessions to help them understand the importance of contributing toward social insurance schemes.

Local law reference

In accordance with Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

Evidence

NC-Insufficient insurance coverage.jpg

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

* PDF generated at 07:06 (UTC) on 24 Sept 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

Workplace requirement

6.F Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.

Issue title

480 - Overtime is not used responsibly (i.e. extent, frequency and level of hours worked by individual workers and/or whole workforce are excessive)

Description

It was noted that the monthly overtime hours of 10 out of 10 (mainly from all production sections) exceeded 36 hours in July 2026 (most current month) with the highest of 58 hours; 10 out of 10 (mainly from all production sections) exceeded 36 hours in June 2026 (random month) with the highest of 60 hours; 10 out of 10 (mainly from all production sections) exceeded 36 hours in December 2025 (random month) with the highest of 60 hours. Remark: No worker had worked more than 3 overtime hours per day, with the highest of 2 hours.
在此次审核中，审核员发现在2026年7月（当前月份），随机抽取的10名工人中有10名工人（主要来自于所有生产车间）月加班时间超过36小时，最高达到58小时；在2026年6月（随机月份），随机抽取的10名工人中有10名工人（主要来自于所有生产车间）月加班时间超过36小时，最高达到60小时；在2025年12月（随机月份），随机抽取的10名工人中有10名工人（主要来自于所有生产车间）月加班时间超过36小时，最高达到60小时。备注：没有工人每天加班超过3小时，最多为2小时。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.

Local law reference

In accordance with PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.

Status

Open*

Time given to resolve

60 days

Verification method

Follow up audit

Area of non-compliance/non-conformance

Local law

← Findings

Management systems →

Evidence

NC-Monthly overtime hours exceeded 36.jpg

* PDF generated at 07:06 (UTC) on 24 Sept 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

Workplace requirement

6.I Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.

Issue title

908 - There is a review conducted of working hours with the intention of responsibly managing overtime, but it is not adequate or does not lead to demonstrable corrective action

Description

The factory established the working hours control system and undertook a review of the individual workers' working hours including overtime hours through annual internal risk assessment. However, the system was not adequate, because the overtime was still not limited well, the excess monthly overtime hours were found in all sampled workers during this audit.
工厂有建立工时管理制度，并通过年度内部风险评估对工人们的工作时间（包括加班时间）有进行审查。然而，该制度并不完善，因为加班时间的控制仍不够有效，在此次审核中，所有抽样的员工都存在每月加班时间超时的情况。

Intended corrective and preventative actions, based on root cause analysis

It is recommended that the factory should establish effective working hours control system and reduce the overtime hours to ensure it is within 36 hours per month.

Status

Open*

Time given to resolve

90 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

Evidence

NC-Monthly overtime hours exceeded 36.jpg

* PDF generated at 07:06 (UTC) on 24 Sept 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

← 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.

Sedex

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

← Guidance