

SMETA Corrective Action Plan Report (CAPR)

Version 7



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Audit content

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

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

2-pillar audits include:

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

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

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

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

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

Audit details

Site details

Sedex site reference	ZS1000074	Site name	IRIS FABRICS LTD
Business name	IRIS FABRICS LIMITED	Site address	Zirani Bazar, Kashimpur, Gazipur. Gazipur BD 1349

Audit details

Sedex company reference	ZC1079049	Auditor company name	BUREAU VERITAS CPS - ASIA			
Audit company address	7th Floor. Octa Tower. 8 Lam Chak Street, Kowloon Bay, Kowloon, HONG KONG, CN, -					
Date of audit	2026-02-17		Audit conducted by		Iffat Fatema Jahan	
Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics					
Time in and out	Day 1		Day 2		Day 3	
	In	09:35	In	11:08	In	09:05
	Out	17:47	Out	18:00	Out	13:00
Audit type	Periodic					
Was the audit announced?	Semi announced					

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Was the Sedex SAQ available for review? Yes

Who signed and agreed CAPR? Mr. Md. Mehedi Hasan / Manager (HR & Compliance)

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	No	Yes
B: Present at the audit?	Yes	No	Yes
C: Present at the closing meeting?	Yes	No	Yes
Reason for absence at the opening meeting	Worker Participation Committee is not legally required for the facility if the facility has formed trade union. Facility had formed trade union as per legal requirement. Trade Union Representative was present in the opening meeting.		
Reason for absence during the audit	Worker Participation Committee is not legally required for the facility if the facility has formed trade union. Facility had formed trade union as per legal requirement. Trade Union Representative was present in the audit process.		
Reason for absence at the closing meeting	Worker Participation Committee is not legally required for the facility if the facility has formed trade union. Facility had formed trade union as per legal requirement. Trade Union Representative was present in the closing meeting.		

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)

1. Factory management are convenient in English and requested auditor to write the CAP in English.
2. This is semi-announced audit & window of this audit is from 16 – February - 2026 to 19 – March -2026.

Lead auditor

Iffat Fatema Jahan

APSCA Number

21701632

Additional auditor

Taufiq Azad

APSCA Number

32200510

Date of declaration

2026-02-19

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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	Mr. Md. Mehedi Hasan
Title	Manager (HR & Compliance)
Date of declaration	2026-02-19

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
3. Working conditions are safe and hygienic	3.H Where identified as necessary to reduce r...	Local law Base code	NC ZAF601323177
	3.L Implement effective processes to manage f...	Local law Base code	NC ZAF601323175
	3.M Ensure all machinery is installed, mainta...	Local law Base code	NC ZAF601323176
5. Legal wages are paid	5.B Ensure that workers receive the insurance...		GE ZAF601323180
5.A. Living wages are paid	5.A.A Review workers' total pay including ben...	Base code	NC ZAF601323178
	5.A.B Put in place a wage improvement plan th...	Base code	NC ZAF601323179

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Findings: non-compliances

ZAF601323177

Non-compliance

Due 2026-04-01

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-03-11)*

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

Base code

Description

Based on the site tour and random checked it was observed that,

a) Approximately 2 out of 8 embroidery machine operator were not using ear plug while working in embroidery section on ground floor of main production building#1 which may lead to permanent hearing damage.

b) Approximately 4 out of 22 cutter man were not using face mask while working in cutting section on 6th floor of main production building#1. Without proper PPE protection like mask, workers may inhale fabric dust or harmful substances, leading to respiratory problems, or even long-term health issues.

c) Approximately 25 out of 342 overlock sewing machine operator were not using face mask at sewing section on 2nd and 3rd floor of main production building#1. Without proper PPE protection like mask, workers may inhale fabric dust or harmful substances, leading to respiratory problems, or even long-term health issues.

d) Approximately 4 out of 8 heat seal machine operator were not using hand gloves at printing section which may cause thermal burns from hot sealing bars.

e) Approximately 3 out of 13 printing operators were not required PPE, such as- respiratory mask, eye goggles, apron etc. at printing section while working with chemicals. Prolonged exposure to toxic substances without proper respiratory or skin protection can lead to severe long-term illnesses.

However, factory management have provided the required PPE to the relevant workers.

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all employees are using appropriate PPE (Personal Protective Equipment) when required.

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Local law reference

In accordance with The Labor Rules, 2015, Chapter 6, Section 67 (1), Safety measures and health safety must be arranged in accordance with the directions of this Rule or the regulations of the concerned govt. department for the workers who are employed in the procedures of manufacturing processes that have high risks of physical injury or loss. In accordance with The Labor Rules, 2015, Chapter 6, Section 67 (2), In addition to the arrangement of safety and health protection measures mentioned in Sub section (1), the concerned manufacturing institute must provide necessary equipment's, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. In accordance with The Labor Rules, 2015, Chapter 6, Section 67 (3), No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment's must be reserved in accordance with Information Form 23.

Evidence

[NC- Printing section worker were not using PPE.jpg](#)

[NC- Overlock machine operator were not using face mask.jpg](#)

[NC- Heat seal machine operator were not using required PPE.jpg](#)

[NC- Embroidery machine operator were not using ear plug.jpg](#)

[NC- Cutterman were not using face mask.jpg](#)

* PDF generated at 08:52 (UTC) on 11 Mar 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601323175

Non-compliance

Due 2026-04-01

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-03-11)*

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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

Issue title

207 - Isolated or partial occurrence of blocked fire exits causing an elevated but not significant risk

Area of non-compliance/non-conformance

Local law

Base code

Description

It was noted through plant tour that, 02 out of 06 aisles in the cutting section were found partially blocked by cut panel on 6th floor of main production building#1 and 01 out of 05 aisles in gray fabric were store found partially blocked by gray fabric on 2nd floor of building#4 which may hamper to ensure safe evacuation during emergency. However, all other aisles of the factory were found free from any obstacles.

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all the aisles should be free from any obstacles to ensure safe evacuation during emergency.

Local law reference

In accordance with Bangladesh Labor Law 2006, Chapter- 6, Section – 72(C), all floors, stairs and gangways shall be wide and obstacle free.

Evidence

[NC- Partial aisle block by cut panel at cutting section.jpg](#)

[NC- Partial aisle block at gray fabric store by gray fabric.jpg](#)

* PDF generated at 08:52 (UTC) on 11 Mar 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601323176

Non-compliance

Due 2026-04-01

Code area

3 Working conditions are safe and hygienic

Status

Closed (2026-03-11)*

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Workplace requirement

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

Time given to resolve

30 days

Issue title

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

Verification method

Desktop audit

Description

It was observed through site tour that, eye safety guard found displaced at randomly checked 30 out of 342 overlock sewing machine and 05 out of 32 bartack machine at sewing section on 2nd and 3rd floor of main production building#1. Inadequate safety measures, like the displacement of eye guard can lead to distractions and nervousness while operating the sewing machine, and the purpose of the safety was not served properly. However, the factory management provided machine safety devices for all required machines.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that facility shall ensure protective safety devices/ barrier are in properly placed at all required machines.

Local law reference

As per Bangladesh Labor Law 2006, section 63(1) d (iii): In every establishment the following machinery, while in motion or in use, shall be securely fenced by the safeguards of substantial construction, namely- d) unless the following machinery are in such position or of such construction as to be safe to every person employed in the establishment as they would be if they were securely fenced- (iii) every dangerous part of any machinery.

Evidence

[NC- Eye guard found displaced in overlock machine.jpg](#)

[NC- Eye guard found displaced in bartack machine.jpg](#)

* PDF generated at 08:52 (UTC) on 11 Mar 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601323178

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

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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

It was noted through documents review and management interview that the facility has not estimated living wages and has not determined a potential gap between present local minimum wage and living wage to meet a decent living standard. According to The Anker Methodology, the monthly living wage for Satellite Cities and areas Surrounding Dhaka, Bangladesh is BDT 25166 and however, the factory is providing minimum wages to all workers in accordance with the law.

Corrective and preventative actions

It is recommended that the facility should take necessary actions to conduct the living wage gap analysis.

* PDF generated at 08:52 (UTC) on 11 Mar 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF601323179

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

It was noted that the facility has not estimated living wages and has not created an improvement plan to meet living wage for workers to meet a decent living standard. However, the factory is providing minimum wages to all workers in accordance with the law.

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

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Corrective and preventative actions

It is recommended that facility develop and implement a structure wage improvement plan aligned with the gap analysis to gradually close any wage gaps.

* PDF generated at 08:52 (UTC) on 11 Mar 2026. [View this finding on the Sedex platform](#) for live updates and closure details.

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Findings: good examples

ZAF601323180

Good example

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.

Description

- a. Donation to workers for medical treatment of their family members, financial support to employees for the education of their children etc.
- b. The facility arranges annual picnic for the workers.

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Management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

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



Not addressed



Fundamental improvements required



Some improvements recommended



Robust management systems

Guidance

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

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

Next steps:

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

Management Systems Assessment (MSA)

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

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

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

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

Collaborative Action Required

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

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

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

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

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

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

For Suppliers

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

For Buyers

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

For Auditors

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



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