

# 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 & 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 following Code Areas:

## Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
  - 0: Enabling accurate Assessment
  - 1: Employment is Freely Chosen
  - 1.A: Responsible Recruitment & 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
2. Health & Safety Code Area:
  - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
  - 10.A: Environment 2-Pillar

## Included in a 4-Pillar audit:

1. Labour Standards Code Areas
  - As 2-pillar
2. Health & Safety Code Area
  - As 2-pillar
3. Environment Code Area:
  - 10.A: Environment 2-Pillar
  - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
  - 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 and site details

## Audit details

Sedex company reference	ZC1067242	Auditor company name	Partner Africa
Date of audit	2025-04-24	Audit conducted by	Sedex member
Audit pillars	Labour Standards   Health and safety   Environment 4-Pillar   Business ethics		

## Site details

Sedex site reference	ZS414335101	Site name	HPW fresh and dry Ltd
Business name	HPW AG	Site address	EV-0127-0147 Bawjiase Road Attohman, Adeiso, GH
Site phone	0041628348060	Site email	maik.blaser@hpwag.ch

# Audit parameters

Time in and out	Day 1		Day 2		Day 3	
	In	08:23	In	08:14	In	08:15
	Out	17:33	Out	17:23	Out	13:01
Audit type	Periodic					
Was the audit announced?	Announced					
Was the Sedex SAQ available for review?	Yes					
Who signed and agreed CAPR?	Michael Nii Adjei Fumey / Fairtrade Officer					
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	There are no worker representatives on site.		
Reason for absence during the audit	There are no worker representatives on site.		
Reason for absence at the closing meeting	There are no worker representatives on site.		

# SMETA declaration

## Auditor team

### SMETA declaration

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

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

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

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

None.

Lead auditor	Daria Ambalwa	APSCA Number	21704957
Additional auditor	Ronald Okezie King	APSCA Number	21701740
Date of declaration	2025-04-26		



## 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	Michael Nii Adjei Fumey
Title	Fairtrade Officer
Date of declaration	2025-04-26

## Summary of findings

Code area	Workplace requirement	Local law	Finding
5. Legal wages are paid	5.A Ensure that all workers (including non-em...		GE <a href="#">ZAF-</a>
	5.B Ensure that workers receive the insurance...		GE <a href="#">ZAF-</a>
10.B. Environment 4-Pillar	10.B.E Identify and monitor potential negativ...		GE <a href="#">ZAF-</a>
1.A. Responsible recruitment and entitlement to work	1.A.E Have systems in place to verify that al...		NC <a href="#">ZAF-</a>
	1.A.H Include provisions within service agree...		NC <a href="#">ZAF-</a>

## Local law issues

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No local law issues

# Findings: non-compliances

ZAF-

Non-compliance

## Code area

1.A Responsible recruitment and entitlement to work

## Status

Open\*

## Workplace requirement

1.A.E Have systems in place to verify that all workers are recruited legally and fairly, including conducting appropriate due diligence to verify that any third-party employment agencies or other recruitment brokers are following ethical practices.

## Time given to resolve

90 days

## Verification method

Follow up audit

## Issue title

550 - Systems are in place to verify that any labour providers or on-site subcontractors are following ethical recruitment practices, but these are inadequate or not consistently applied/demonstrable

## Area of non-compliance/non-conformance

Base code

## Description

It was noted that the systems for checking the ETI Base Code compliance of the Transport agencies was inadequate. The following gaps were noted.

1. Workers do not have employment contracts
2. Workers are not paid overtime including holiday overtime
3. Workers do not receive pay slips
4. Workers do not receive rest days.
5. Workers do not receive leave days
6. SNIT contributions are not made.
7. There was no evidence of training of the workers on policies and procedures.
8. Working hours are not recorded.

## Corrective and preventative actions

It is recommended that the mention develops a system to ensure the compliance of the ETI Base Code for the Transport agencies to ensure that.

1. Workers are provided with employment contracts
2. Workers are paid overtime including holiday overtime
3. Workers are provided with pay slips
4. Workers receive at least 1 rest day in 7days period.
5. Workers are granted the annual leave days
6. SNIT contributions are made.
7. Workers are trained on policies and procedures.
8. Ensure that working hours are recorded.

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

To allow time for the facility to implement corrective actions for follow up

\* PDF generated at 10:40 (UTC) on 26 Apr 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

## Status

Open\*

## Workplace requirement

1.A.H Include provisions within service agreements that hold labour providers or on-site subcontractors contractually responsible to ensure no recruitment fees or related costs are incurred or charged to workers and specifies the responsible party for reimbursing workers accordingly if they incur fees or costs.

## Issue title

825 - CAR: Service agreements do not hold labour provider or on-site subcontractor responsible for ensuring no recruitment fees or related costs are incurred or charged to workers, and/or do not specify the responsible party for reimbursing workers accordingly if they incur fees or costs.

## Description

The Service level Agreement between the site and the transport company does not include a clause that states no recruitment fees is paid, and if it occurs the person responsible for the reimbursement.

## Corrective and preventative actions

It is recommended that the site reviews the SLA with the Transport company to include the the clause that ensures no recruitment fees is paid, and if it occurs the person responsible for the reimbursement.

## Time given to resolve

## Verification method

Collaborative action required

## Area of non-compliance/non-conformance

Base code

\* PDF generated at 10:40 (UTC) on 26 Apr 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

# Findings: good examples

ZAF-

Good example

## Code area

5 Legal wages are paid

## 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.

## Description

The least paid worker on site earns a monthly wage of 1,785.69Ghc against a legal wage of 540Ghc.

## Evidence

[GE\\_MINIMUM WAGE\\_HPW\\_APRIL 2025.pdf](#)

ZAF-

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

The facility provides a range of benefits for the workers including:

1. Twenty (20) days of annual leave higher than fifteen(15) provided for by law.
2. Free breakfast and lunch/dinner for all workers.
3. Free transport in kind and as an allowance depending on the shift
4. Rent allowance for all workers
5. 13th Month Salary for all workers with additional Christmas gift pack of approximately 750GHc per worker.
6. The facility has a cretche free for kids between 3 months and 1 year. Workers pay 50% of the fee for kids above 1 year.
7. The site sponsors different education programs for workers , technical, degree and masters.
8. 16 weeks of maternity leave higher than the 12 weeks provided by the law and 5 days of Paternity leave(none provided by law).
9. The facility has a gym accessible to all workers.
10. The facility pays for Provident fund for the workers after 1 year.
11. The facility pays for NHIS for the workers.

ZAF-

Good example

## Code area

10.B Environment 4-Pillar

ZAF-

Good example





































**Workplace requirement**

10.B.E Identify and monitor potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations.

**Description**

- 1. The facility has planted and maintained trees at the facility.
- 2. The facility has installed a water recycling plant to be commissioned by 1st quarter of 2026.
- 3. The facility utilizes solar energy up to 30% of the total energy consumption.

# 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



	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	✓	✓	i	i
10.A. Environment 2-Pillar	✓	✓	i	✓
10.C. Business ethics	✓	✓	i	✓

✗ Not addressed

⚠ Fundamental improvements required

i Some improvements recommended

✓ Robust management systems

# Guidance

The Corrective Action Plan Report 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 and corrective actions, Collaborative Action Required findings and the Management Systems Assessment.

## 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 "Desk-Top" review process via the Sedex Platform or by Follow-up Audit.
5. Some NCs that cannot be closed off by "Desk-Top" 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>