



SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. 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.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

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 record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site 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 Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day 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 non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial 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).

Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1001508	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1040437	
Business name (Company name):	Nhabe Garment Corporation - JSC			
Site name:	Nhabe Garment Corporation - JSC			
Site address:	No.4, Ben Nghe St., Tan Thuan Dong Ward, District 7 Ho Chi Minh 70000 VN	Country:	VN	
Site contact and job title:	Mr. Khong Tien Thuc / QA Compliance Manager			
Site phone:	84 28 38720077	Site e-mail:	khongthuc@gmail.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2023-08-24			

Audit Company Name:
Eurofins Southeast Asia

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Parameters				
Time in and time out	Day 1		Day 2	
	In	08:45	In	09:00
	Out	16:45	Out	15:30
Audit type:	PERIODIC			
Was the audit announced?	SEMI_ANNOUNCED			
Was the Sedex SAQ available for review?	Yes			
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No			
Who signed and agreed CAPR	Mr. Khong Tien Thuc / QA Compliance Manager			
Is further information available	No			

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
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
<i>Reason for absence at the opening meeting</i>	N/A. There is no worker representative in the facility.		
<i>Reason for absence during the audit</i>	N/A. There is no worker representative in the facility.		
<i>Reason for absence at the closing meeting</i>	N/A. There is no worker representative in the facility.		


Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1	§1 §2 §3	3	0	0	NC - ZAF600154323 NC - ZAF600154324 NC - ZAF600154325



Local Law Issues

Issue	Description
§1	In accordance with Electricity law 28/2004/QH11 dated on December 3, 2004, Article 46. Rights and obligations of electricity-using customers, point 2. The electricity-using customers shall have the following obligations: b) To use electricity safely, thriftily and efficiently; to comply with regulations on management of electricity demands; g) To ensure the technical standards and safety requirements of electrical appliances and Article 57. Safety in use of electricity for production: 1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform with Vietnamese standards.
§2	In accordance with Law no. 84/2015/QH13 dated on June 25, 2015, Article 22, point 3: The employer shall provide adequate personal protective equipment for employees who work heavy, harmful or dangerous occupations. Article 23. Personal protective equipment, point 1: Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work. In accordance with Circular no. 25/2022/TT-BLDTBXH dated November 30, 2022 - Provision of personal protective equipment in work, Article 5. Rules for providing PPE, point 2: Employers shall list and provide PPE for employees in accordance with the list under Appendix attached hereto and point 3: In addition to listing in accordance with Clause 2 of this Article, employers shall also list and provide PPE for employees in the following cases: a) Occupations and professions not mentioned under Appendix I attached hereto which dangerous and hazardous factors to employees' health are deemed present by employers. b) Occupations and professions mentioned under Appendix I attached hereto which require additional PPE for the purpose of effectively prevent harmful effects of dangerous and hazardous factors in working environments.
§3	In accordance with Law on occupational health and hygiene 84/2015/QH13 dated June 25, 2015, Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace: point 2. Machinery, equipment, materials and substance shall be used, operated, maintained and preserved at the workplace in conformity with technical standards of occupational safety and hygiene, or technical regulation on occupational safety and hygiene that promulgated, applied and internal regulations and process for assuring occupational safety and hygiene at the workplace. Point 4. Annually or when necessary, dangerous or harmful factors at the workplace must be inspected and assessed to carry out technical measures for elimination or reduction in dangerous or harmful factors at the workplace, improvement of working condition and healthcare for employees.


Corrective Action Plan - Non Compliances

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600154323	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	227 - Unmarked / incorrect labels / signage / instructions for electrics	
Subcategory	Electrical risk	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600022206	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	In accordance with Electricity law 28/2004/QH11 dated on December 3, 2004, Article 46. Rights and obligations of electricity-using customers, point 2. The electricity-using customers shall have the following obligations: b) To use electricity safely, thriftily and efficiently; to comply with regulations on management of electricity demands; g) To ensure the technical standards and safety requirements of electrical appliances and Article 57. Safety in use of electricity for production: 1. Organizations and individuals using electricity for production must comply with the regulations on electric safety, regulations and technical standards on electric safety must conform with Vietnamese standards.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Based on facility tour, responsible employee interview and facility management confirmation, it was noted that 01 out of 04 checked electrical panels at the fire pump area did not have dangerous warning sign posted.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
		 <p>NC#1 - No dangerous warning sign for the electrical panel.jpg</p>

Actions	It is recommended that the facility should ensure the electrical panels to be equipped with dangerous warning sign as local law requirement.	
Additional comments	The factory has re-posted warning signs at electrical cabinets Desktop review on 13 September 2023. The finding was corrected.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600154324	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600022206	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	<p>In accordance with Law no. 84/2015/QH13 dated on June 25, 2015, Article 22, point 3: The employer shall provide adequate personal protective equipment for employees who work heavy, harmful or dangerous occupations. Article 23. Personal protective equipment, point 1: Every employee who does dangerous or harmful works shall be adequately provided with personal protective equipment by the employer and he/she is required to use it during the course of work. In accordance with Circular no. 25/2022/TT-BLDTBXH dated November 30, 2022 - Provision of personal protective equipment in work, Article 5. Rules for providing PPE, point 2: Employers shall list and provide PPE for employees in accordance with the list under Appendix attached hereto and point 3: In addition to listing in accordance with Clause 2 of this Article, employers shall also list and provide PPE for employees in the following cases: a) Occupations and professions not mentioned under Appendix I attached hereto which dangerous and hazardous factors to employees' health are deemed present by employers. b) Occupations and professions mentioned under Appendix I attached hereto which require additional PPE for the purpose of effectively prevent harmful effects of dangerous and hazardous factors in working environments.</p>	 <p>NC#2-2 - Cutting workers did not wear the provided masks when working.jpg</p>  <p>NC#2-1 - Ironing workers did not wear the provided masks when working.jpg</p>
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the	

	working environment.	
Explanation to the non compliance	Based on facility tour, worker interview and facility management confirmation, it was noted that 06 out of 12 observed ironing workers at ironing section and 02 out of 05 observed cutting workers at cutting section did not wear the provided masks when working. Note: PPE is equipped with free of charge.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	It is recommended that the facility should remind all workers to use provided masks when working.	
Additional comments	The factory has reminded workers to wear masks during work Desktop review on 13 September 2023. The finding was corrected.	

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600154325	
Clause	3 - Working conditions are safe and hygienic	
Issue Title	266 - Incidents of incorrect use of machinery constituting a minor risk	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600022206	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other	
Root cause - Other	Lacking health and safety control	
Local law issue	In accordance with Law on occupational health and hygiene 84/2015/QH13 dated June 25, 2015, Article 16. Responsibility of the employer for assurance of occupational safety and hygiene at the workplace: point 2. Machinery, equipment, materials and substance shall be used, operated, maintained and preserved at the workplace in conformity with technical standards of occupational safety and hygiene, or technical regulation on occupational safety and hygiene that promulgated, applied and internal regulations and process for assuring occupational safety and hygiene at the workplace. Point 4. Annually or when necessary, dangerous or harmful factors at the workplace must be inspected and assessed to carry out technical measures for elimination or reduction in dangerous or harmful factors at the workplace, improvement of working condition and healthcare for employees.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Based on facility tour, worker interview and facility management confirmation, it was noted that needle guards of at least 10% on sewing machines were malfunction (too high to protect sewing operator's finger) due to sewing operators' self -adjustment to a higher position.	
Follow up	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
		 <p>NC#3 - Needle guards of at least 10% on sewing machines were malfunction.jpg</p>

method	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	It is recommended that the facility should remind all workers use needle guards at the suitable position to protect the employees' fingers from being hit.
Additional comments	<p>The factory has reminded workers to use needle guards to protect their hands while working Desktop review on 13 September 2023. The finding was not corrected. The needle guards too high to protect sewing operator's finger.</p> <p>The factory has reminded workers to use needle guards to protect their hands while working Desktop review on 02 October 2023. The finding was not corrected. The needle guards too high to protect sewing operator's finger. The factory should training for all sewing workers and re-upload the corrective action photo for review.</p> <p>The factory has reinstalled the fixed needle guard ring Desktop review on 06 October 2023. The finding was corrected.</p>

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Auditor Team			
Lead Auditor:	Ngoc Lien Pham	APSCA Number:	21704006
Additional Auditors:	Vuong Thai		21700561
Date of declaration:	2023-08-25		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

Site Representation	
Full Name:	Mr. Khong Tien Thuc
Title:	QA Compliance Manager
Date of declaration:	2023-08-25
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a “root cause”

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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