SMETA®
Sedex Members Ethical Trade Audit

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	ZC414139974	**Auditor company name**	BUREAU VERITAS CPS - ASIA
Date of audit	2025-03-28	**Audit conducted by**	Sedex member
Audit pillars	Labour Standards | Health and safety | Environment 4-Pillar | Business ethics		

Site details

Sedex site reference	ZS416808186	**Site name**	HOANG HA BP IMPORT AND EXPORT JOINT STOCK COMPANY
Business name	HOANG HA BINH PHUOC IMPORT AND EXPORT JOIN STOCK COMPANY	**Site address**	67000 Group 1, Phuoc Son Zone, Phuoc Binh Ward, Phuoc Long Town, Binh Phuoc Province, Vietnam, Phuoc Long, VN
Site phone	0975106060	**Site email**	EXHOANGHA@GMAIL.COM

Audit parameters

Time in and out	Day 1 In 08:40 Out 16:40
Audit type	Periodic
Was the audit announced?	Unannounced
Was the Sedex SAQ available for review?	Yes
Who signed and agreed CAPR?	HOANG THI THAO / QA Manager
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 was no worker representative		
Reason for absence during the audit	There was no worker representative		
Reason for absence at the closing meeting	There was no worker representative		

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)	UNANNOUNCED AUDIT

Lead auditor	Thany Huynh	**APSCA Number**	32200520
Additional auditor	Hoa Le (Josie Le)	**APSCA Number**	32200759
Date of declaration	2025-03-28		

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	HOANG THI THAO
Title	QA Manager
Date of declaration	2025-03-28

Summary of findings

Code area	Workplace requirement	Local law	Finding
3. Working conditions are safe and hygienic	3.N Maintain a log of all hazardous substance...	§1	NC ZAF600871941
5.A. Living wages are paid	5.A.A Review workers' total pay including ben...		NC ZAF600871942
	5.A.B Put in place a wage improvement plan th...		NC ZAF600871943
5. Legal wages are paid	5.A Ensure that all workers (including non-em...		GE ZAF600871944
10.C. Business ethics	10.C.E Provide appropriate business ethics tr...		NC ZAF600871945
0. Enabling accurate assessment	0.D Maintain a written human rights policy st...		NC ZAF600871946

Local law issues

§1	According to Circular 19/2016/TT-BYT, Chapter II First Aid And Emergency Treatment In Workplaces, Article 5.2, Requirements for first aid and emergency treatment 2. Where poisonous and toxic chemicals or corrosive substances are applied, emergency showers and eyewash stations shall be installed in accessible places inside the workplace and shall be maintained in accordance with manufacturer's manual or regulations of laws (if any). Local language: Thông tư 19/2016/TT-BYT Điều 5.2. Đối với vị trí làm việc có sử dụng hóa chất độc hoặc chất gây ăn mòn phải trang bị vòi tắm khẩn cấp và phương tiện rửa mắt tại vị trí dễ tiếp cận trong khu vực làm việc và được bảo dưỡng theo quy định của nhà sản xuất hoặc quy định của pháp luật (nếu có).

Findings: non-compliances

ZAF600871941

Non-compliance

Due 2025-05-04

Code area

3 Working conditions are safe and hygienic

Workplace requirement

3.N Maintain a log of all hazardous substances (e.g. chemicals and pesticides) on site. Ensure that these are managed appropriately at all times in line with safety instructions, including storage, use and disposal.

Issue title

242 - No/inadequate eye wash/shower station in hazardous environments including chemical areas

Description

During site observation, It was noted that eyewash station was not equipped at chemical storage.

Local language: Ghi nhận chưa trang bị vòi rửa mắt ở kho hóa chất

Corrective and preventative actions

The factory shall ensure to equip the eyewash in the chemical usage and storage.

Local language: Khuyến nghị nhà máy trang bị vòi rửa mắt ở khu vực lưu trữ và sử dung hóa chất

Local law reference

According to Circular 19/2016/TT-BYT, Chapter II First Aid And Emergency Treatment In Workplaces, Article 5.2,   Requirements for first aid and emergency treatment
2. Where poisonous and toxic chemicals or corrosive substances are applied, emergency showers and eyewash stations shall be installed in accessible places inside the workplace and shall be maintained in accordance with manufacturer's manual or regulations of laws (if any).

Local language: Thông tư 19/2016/TT-BYT Điều 5.2. Đối với vị trí làm việc có sử dụng hóa chất độc hoặc chất gây ăn mòn phải trang bị vòi tắm khẩn cấp và phương tiện rửa mắt tại vị trí dễ tiếp cận trong khu vực làm việc và được bảo dưỡng theo quy định của nhà sản xuất hoặc quy định của pháp luật (nếu có).

Status

Closed (2025-04-26)*

Time given to resolve

30 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Local law

Base code

* PDF generated at 10:28 (UTC) on 26 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF600871942

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

Workplace requirement

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

Issue title

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

Description

During document review and management interview, it was noted that factory had not conducted for gap analysis between living wage and actual earn wage.

Ghi nhận nhà máy chưa thực hiện đánh giá mức lương đủ sống

Corrective and preventative actions

It is recommended that factory should conduct for gap analysis between living wage and actual earn wage.

Nhà máy nên thực hiện đánh giá mức lương đủ sống.

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:28 (UTC) on 26 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF600871943

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

906 - CAR: A wage improvement plan (with Living Wage as the goal) has been completed but it is missing key elements

Description

During document review and management confirmation, it was noted that the facility had not completed a wage improvement plan.

Ghi nhận nhà máy chưa thực hiện kế hoạch cải thiện lương

Corrective and preventative actions

It recommended that the facility complete a wage improvement plan.
Nhà máy nên thực hiện cải thiện kế hoạch lương

Status

Open*

Time given to resolve

Verification method

Collaborative action required

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:28 (UTC) on 26 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF600871945

Non-compliance Due 2025-07-03

Code area

10.C Business ethics

Status

Closed (2025-04-26)*

Workplace requirement

10.C.E Provide appropriate business ethics training to workers at all levels in roles which have greater exposure to risks of bribery, corruption, fraudulent or unethical business practices, such as sales, purchasing, logistics.

Issue title

956 - Lack of business ethics training to individuals in high risk roles

Description

During document review, employees and management interview, it was noted that business ethics training records to individuals in highrisk roles in the last 12 months was not available for review. Local language: Ghi nhận hồ sơ đào tạo về đạo đức kinh doanh cho những cá nhân đảm nhiệm những vai trò có rủi ro cao chưa có sẵn để xem

Corrective and preventative actions

It is recommended that business ethics training shall be provided to individuals in high risk roles and obtain record for review Local language: Kiến nghị nhà máy cung cấp đào tạo về đạo đức kinh doanh cho những cá nhân đảm nhiệm những vai trò có rủi ro cao và lưu giữ hồ sơ để xem

Time given to resolve

90 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:28 (UTC) on 26 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

ZAF600871946

Non-compliance

Due 2025-06-03

Code area

0 Enabling accurate assessment

Workplace requirement

0.D Maintain a written human rights policy statement that is approved at the most senior level, communicated to all personnel, and trained to relevant personnel.

Issue title

804 - Written human rights policy in place but does not meet the full requirement to be approved at the most senior level, communicated to all personnel, and trained to relevant personnel.

Description

It was noted that the no evidence to prove that the factory had assigned a trained person responsible for implementing standards concerning Human rights and provided the training Human rights policy to relevant people.

Nhà máy chưa có bằng chứng về người phụ trách thực hiện tuyên ngôn nhân quyền đã qua đào tạo và đào tạo cho người có liên quan

Corrective and preventative actions

It is recommended that the facility shall assign a trained person responsible for implementing standards concerning Human rights and comunicate Human rights policy with relevant peoples. Nhà máy cần phân công một người được đào tạo chịu trách nhiệm thực hiện các tiêu chuẩn liên quan đến Nhân quyền và đào tạo chính sách với những người có liên quan

Status

Closed (2025-04-26)*

Time given to resolve

60 days

Verification method

Desktop audit

Area of non-compliance/non-conformance

Base code

* PDF generated at 10:28 (UTC) on 26 Apr 2025. View this finding on the Sedex platform for live updates and closure details.

Findings: good examples

ZAF600871944

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 factory provided some allowances for employees such as hazardous allowance with amount of VND 300,000 per month, meal allowance with amount of VND 680,000 per month, transportation allowance with amount of VND 500,000 per month

Local language: Ghi nhận nhà máy hỗ trợ một số trợ cấp trên Luật

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	✓	✓	✓	✓
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 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.

Sedex

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