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RBA Validated Assessment Program (VAP) Operations Manual

Revision 7.0.0 – January 2021

Organizations working with and in the Responsible Business Alliance (RBA) www.responsiblebusiness.org are working to improve sustainability and social responsibility within the global supply chain.

These companies recognize a mutual responsibility to ensure working conditions are safe, workers are treated with respect and dignity, and that manufacturing practices are environmentally responsible. The Validated Assessment Program (VAP) is a collaborative approach to auditing to reduce the burden on supply chain companies from multiple requests for social audits. The VAP meets the need for a high quality, consistent and cost-effective standard industry assessment for labor, ethics, health, safety environmental, and management systems practices based on the RBA code of conduct, laws, and regulations.

For more information about the Validated Assessment Program (VAP), please contact:

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SECTION D POST AUDIT

1. AUDIT REVIEW

Each Validated Audit Report (VAR) is reviewed by the QM both at draft and at final stage before release.

The quality assurance process consists of the following:

- Scope – assurance Audit covered entire site and all pertinent operations
- Confidentiality – assurance that product, customer, worker, or other confidential information is not included in the report
- Auditing Practices (including review of submitted auditor notes and supporting evidence)
- Good reporting criteria
- The RBA Code interpretations
- Applicable legislation
- Completeness
- Triangulation of findings (as noted, not all questions must be triangulated)
- Accuracy of findings versus Audit notes
- Conclusions and identification to the RBA Code provision
- Understandable spelling and grammar
- Proper use of AP ratings
- Proper interpretation of AC
- Consistency of findings across AC
- Adequate documented proof to substantiate findings

1.1. Auditor Performance Review

After each VA, the QM reviews the work performed by the Auditor.

This review includes:

- Quality – How well the auditor applied the RBA Code and interpretations, as well as local law, to the Audit
- Professionalism – How they interacted with all participants of the Audit
- Timeliness – How well the Auditor met the required timelines

This information is used when selecting and assigning Audit Firms to conduct Audits.

2. Audit Report

A formal VAR is available to the Auditee and Attachment B Companies after the Audit and the associated review is complete.

The VAR provides information for the Auditee's management team to improve their CSR programs and performance. VAR findings identify both deficiencies and good practices and are based on objective evidence obtained during the audit.

3. Corrective Action Plans

Corrective Action Plan (CAP) management is an important part of the VAP. The purpose of the CAP is to define corrective actions for resolving any non-conformances identified during the audit. CAP activities must occur within RBA specified time frames in this manual, to demonstrate closure of any findings identified in the Initial Audit. For members these should be per the Membership Compliance Guidelines.

The Auditee is responsible for completion of the corrective and preventive actions listed within the plan.

The CAP should include:

- Determination of root cause(s)
- Description of the proposed corrective actions to address root cause(s)
- If Auditee determines that no action will be taken or is necessary in response to a non-conformance, the plan must describe the basis for this determination and why no corrective actions is required
- Application of a preventive action to prevent future recurrence of the problem or related issue(s)
- The date the action is expected to be completed
- Current status of the action items

The Auditee must use the CAP template.

- For the APM Managed CAP process, a pre-populated CAP is issued by the APM.
- For CMA and AMA CAPs, use the blank CAP template available on RBA web site
- Priority CAPs will be issued by the QM.

3.1. Priority Non-conformance Containment

Upon receiving notification of any Priority non-conformance(s) from the Audit Team, the Auditee reviews the non-conformances and initiates containment immediately. Containment is the act, process, or means of immediately reducing a threat or lowering a risk of the situation identified in the Priority non-conformance(s).

The following process is used to implement immediate containment:

- Auditor notifies the auditee of the Priority non-conformance(s)
- Auditee investigates and determines needed containment activities
- Auditee documents activities within the CAP template via RBA-ONLINE
- Auditee implements containment actions so that the risk of the issue is minimized
- A permanent and systemic solution is then implemented through the CAP process.

3.2. CAP Management Options for non-priority findings

Management of CAPs can be done in one of two methods:

- QM managed CAP
- Customer Managed CAP or Auditee Managed CAP

3.2.1 QM Managed CAP

The CAP can be managed using the payable QM Managed CAP process. The communication on the CAP and its progress is managed by the QM directly with the Auditee using RBA-Online. APM will communicate with all Attachment B Companies (RBA members only). Therefore, only one CAP is required no matter the number of audit customers.

A QM-managed CAP is strongly encouraged for:

- Auditees who are providing an audit to multiple customers.
- Auditees new to the VAP which could use additional guidance on developing or managing their CAP.
- Auditees that wish to have a quality review by the QM team.

The QM is available as a resource, and actions taken suggested in an QM approved CAP will likely meet the expectations of an Auditor during the Closure Audit.

3.2.2 Customer Managed CAP or Auditee Managed CAP

The Customer Managed CAP process requires that the Attachment B Company (only Member Companies) manage the CAP, working directly with the Auditee. Or the Auditee can manage their own CAP process can communicate with their customers.

Requirements for customer managed CAPs:

- A copy of the approved CAP must be up-loaded to the RBA-ONLINE
- The Attachment B Company manages the CAP to meet their expectations or Auditee manages the CAP to meet the expectations of the customer(s)
- The QM is NOT available as a resource, nor does the QM or APM verify the actions taken will meet the expectations of an auditor during the Closure Audit

4. Closure Audits

All Priority and Major non-conformances must be closed through a Closure Audit. Completing CAP items, either a QM CAP or an Auditee or Customer CAP does not close issues, as closure only occurs through a Closure Audit.

Minor and Risk of non-conformance findings may also be closed through a Closure Audit.

The timing of the Closure Audit should be based upon the type of findings in the Initial Audit (Priority, Major, Minor, Risk of Non-conformance and whether there are working hours, recruitment fees, and/or social insurance related findings).

4.1. Closure Audit Focus

There are two types of Closure audits:

- Priority Audit
- Closure Audit

The focus of both closure audit types are the issues identified in the Initial Audit. However, if an Auditor identifies any other finding during any Closure Audit, this is to be included as a new issue, following the same process and rules as the Initial Audit.

4.2. Priority Audit

Priority findings are required to be closed by a Priority Audit.

The purpose of a priority Audit is not to achieve conformance for the AC but to remove the condition which triggers the priority rating. Of course, if an AC is verified as conformance during a Priority Audit because the situation is remediated, and the system fixed to ensure consistent conformance with the AC then a Closure Audit for this AC is no longer required

Closure Audits for Priority non-conformance(s) are triggered by the APM. The clock starts when the Priority non-conformance is confirmed by the QM and Auditors, which may be:

- During the audit

- During the draft report stage (when more data is analyzed or during the QM review of the draft report)
- When the rating is changed as per the rating guidance (to correct a mis-rating in draft audit report)

Priority audits take place

- For all issues other than recruitment fees, working hours and social insurance: 30 days from discovery
- Working hours and social insurance: 180 days from discovery
- Recruitment fees: see section 3.2

Other findings may be closed during the Priority Audit. However, to be closed it must be agreed upon with the APM during the scheduling process to ensure the Priority Audit is properly scoped.

4.3. Closure Audit

Major issues must be closed through a Closure Audit. At the election of the Auditee, minor issues can be closed through the same Closure Audits or through a separately scheduled stand-alone Closure Audit.

Closure Audits for non-priority findings are not scheduled on a set timeline, rather, these are triggered by the Auditee or Attachment B Company.

Closure Audits can be remote or onsite, depending upon the pre-determined permission level for each finding as stipulated in the AC in appendix 11, i.e. at the end of each element. Remote closures are only accepted in cases defined in this manual.

A chargeable remote verification assessment may be requested prior to an on-site audit, making the on-site audit more efficient and reducing the possibility of having issues stay open after the Closure Audit, which, in the case of major issues, may require an on-site Closure Audit to close the issues.

Closure audit timing should reflect 3 months of implementation and align with the corrective Action timeframes listed in this document.

4.4. Closing a QM Managed CAP

The Auditee decides when to conduct a Closure Audit; the QM may guide the auditee on the timing of this audit, noting which issues may still be considered non-conformance.

Once a Closure Audit is requested the APM schedules a Closure Audit

The CAP is deemed closed upon verification of the audit.

APPENDIX 4 QM MANAGED CAP

Auditees may choose to utilize the QM Managed CAP (QM CAP) process to close issues and manage the CAP process.

CAP Management activities must occur within RBA specified time frames in this manual, to demonstrate closure of any findings identified in the Initial Audit. For members these should be per the Membership Compliance Guidelines. The QM Managed CAP process in this appendix is one type of CAP Management process. For an overview of the other options, please see Section D 3 of this manual

The APM is available as a resource, and actions taken suggested in an APM approved CAP will likely meet the expectations of an auditor during the Closure Audit.

1. ROLES AND RESPONSIBILITIES

1.1. Auditee

- Immediately contain Priority non-conformances, if needed.
- Create Corrective Action Plan(s) and submit to APM.
- Implement corrective and preventive actions for Priority, Major and Minor non-conformances and Risks of non-conformance.
- Provide monthly progress updates to APM.
- Schedule a Closure Audit (in collaboration with Attachment B Companies) within RBA time frames.
    - One Closure Audit is possible to capture completed corrective actions for Major, Minor and Risk of non-conformance actions.
    - The Closure Audit for Priority non-conformance(s) is scheduled 30 days after the Initial Audit (remote or on-site depending upon the validation required). Other findings which are ready for closure verification may be included if the PM is alerted and appropriately scheduled.

1.2. APM

- Communicate Priority non-conformance to the Attachment B Companies (RBA members only) within 48 hours of discovery.
- Send approved CAP to Attachment B Companies.
- Communicate CAP status monthly to Attachment B Companies.

1.3. QM

- Communicate Priority non-conformance to APM within 24 hours of discovery.
- Review and provide format, completeness and code elements gap feedback on CAP.
- Define the type of validation required to close a corrective action (remote or on-site).
- Send approved CAP to APM.
- Validate monthly progress on CAP implementation.
- Communicate CAP status monthly to the Auditee with copy to the APM

1.4. Attachment B Companies (RBA members only):

- Receive CAP from APM.
- Receive monthly CAP status reports from APM.
- Follow up with auditee in case of delays of implementation.
- In collaboration with auditee, schedule a Closure Audit.

2. Corrective Action Plan Content

The Auditee must create a formal CAP for each non-conformance and Risk of non-conformance finding using the CAP template. The CAP template is provided by the APM as per the timeline indicated in the process flow chart (Appendix 1).

The CAP must reflect timelines described in Timelines for Completion of Corrective Actions or the auditee must provide justification when timelines cannot be met.

All CAP activities and modifications are monitored, reviewed, agreed to and closed through the CAP Template. The auditee develops corrective actions and records them in the CAP Template. The APM reviews each CAP to ensure that it contains required information, correct format and that corrective actions are appropriate, clearly defined and within the timeline.

After the CAP is fully implemented, the Auditee must provide a final update in the CAP template indicating the finding was addressed, the completion date, and provide appropriate supporting evidence.

The following steps are taken when creating a CAP.

2.1. Step 1 – Root Cause Analysis

The CAP Template provides space for three root causes per non-conformance. Auditee may add or remove root cause entries as appropriate to their needs. However, at least 1 root cause is required, and no more than 5 root causes are allowed.

For each root cause, a corresponding containment and corrective action is required. Example: if a finding has 3 identified root causes then 3 containment actions and 3 corrective actions are needed in the CAP for the finding, each with timeline.

It is possible that several findings have the same root cause(s). In this case, the finding with same root cause can refer to the "other" finding where the corrective and containment actions have been defined.

2.2. Step 2 – Containment Action

The items below need to be submitted for each root cause identified per finding.

Items to be Submitted	Description of items to be submitted or required
Describe action to be taken to immediately reduce threat/lower risk:	Description of the temporary actions taken to minimize the risk of the non-conformance. The description needs to include at least the following components: • Actions taken • Communication to management, supervisors and workers on these actions • Management system for the actions to ensure they remain in place and are effective until a permanent systems correction is implemented.
Accountable Owner	Person(s) responsible at the auditee site to ensure overall effective implementation of the Immediate Containment Actions
Target Completion Date	Completion date of the initial implementation of all items. This can be no longer than 3 weeks from receipt of final VAR. • Progress" listed as: • "On" if progressing on time or fully implemented. • "Off" when implementation is running late. If "off," then additional actions need to be listed in remarks how implementation will be corrected within the timeline.
Actual Close Date	Actual date when all items are successfully implemented. Proof in PDF or JPEG format needs to be provided for APM decision

2.3. Step 3 – Corrective Action

The items below need to be submitted for each root cause identified per finding.

Items to be Submitted	Description of items to be submitted/required
Policy/procedure changes	Describe the details of the changes which will be made to company policy/procedures. Include a reference to the current document number and issue date). The updated policy should contain at least the items required in the RBA code as well as the process to ensure the policy is sustainably implemented.

Communications/training	Describe the details of the communications and training program to ensure that all impacted workers are updated and understand the updated policy and procedures. This may include:
	• Who received the communication:
	  ○ Management
	  ○ Staff
	  ○ Direct and indirect workers
	  ○ Onsite contractors/suppliers
	  ○ Other affected or impacted groups
	• How the communication was provided:
	  ○ Newsletter
	  ○ In-person training
	  ○ Company blog or intranet
	  ○ Others
	• If training is required, who received the training:
	  ○ Management
	  ○ Supervisors
	  ○ Workers
	  ○ Other affected or impacted groups
	  ○ Induction or new employee training
	• If training is required, how the training was provided
	  ○ In-Person
	  ○ Webinar
	  ○ Electronic Training
	  ○ Other

Activity and impact measurements	Describe the indicators/measurements that will be used to monitor and ensure that the implementation of the updated policy/procedure and its communications and training are effective. Measurement should be impact and activity based (e.g. number of trainings = activity, awareness or reduction in occurrence = impact). • At least 3 activity indicators and 3 impact indicators are required for each non-conformance finding.
Accountable Owner	Person(s) responsible at the auditee site to ensure overall effective implementation of the Corrective Actions

Target Completion Date	Completion date of the implementation of each item. This date can exceed the timing as indicated in Timelines for Completion of Corrective Actions section 3.2. If a justification is submitted to the APM for approval
Remote?	• Determination if the closure can be completed through a Remote Closure Audit. • "Yes" means the issue can be closed through a Remote Closure Audit. • "No" means the issue cannot be closed through a Remote Closure Audit
Progress" listed as	• "On" if progressing on time or fully implemented. • "Off" when implementation is running late. If "off", then additional actions need to be listed in remarks how implementation will be corrected within the timeline
Action Start Date	Proposed start date for each item
Actual Close Date	Actual dates for each item. Proof in PDF or JPEG format needs to be provided for APM decision

3. Timelines for Completion of Corrective Actions

3.1. Priority Non-conformance Timeline

All corrective actions must be completed within the provided timeframes. Any deviations from the prescribed timelines must be approved by the APM.

Priority non-conformances (other than exceptions listed in the priority non-conformance section), must be immediately contained.

Time	Action	Responsible
0 Hours	• Non-conformance identified and communicated to auditee management during onsite VA	Audit Team
	• Auditee immediately removes the threat (issue which has caused the Priority issue – e.g. remove the child of the work floor in case of child labor)	Auditee
≤1 Hour	• Lead auditor to Alert QM with conclusion, immediate containment, data points and supporting evidence	Lead Auditor
<12 Hours	• QM confirms Priority finding to APM	QM
<24 Hours	• APM reports issue to Attachment B Companies	APM
≤24 Hours	• Attachment B Companies contact(s) auditee to discuss situation and status	Attachment B Companies
≤48 Hours	• Priority non-conformance action in place (containment in place, auditee puts in place temporary measures to ensure priority non-conformance does not re-occur)	Auditee
	• Communicate containment action and proof of implementation to Attachment B Companies /QM	Auditee
7 days*	• Full CAP on priority non-conformance(s) is submitted for review to QM	Auditee
	• Feedback on priority non-conformance CAP and communicates to APM	QM
	• Adjust priority non-conformance CAP if needed	Auditee
10 days*	• Approved priority non-conformance CAP implementation	Auditee
	• Communicate priority non-conformance CAP to Attachment B Companies	Auditee/APM
30 days**	• APM schedules priority Closure Audit	APM
	• Closure Audit of priority non-conformance(s)	Audit Team
	• Note: If there is sufficient / legitimate evidence that more time is required,	Auditee

	auditee must respond to the APM with the details for the APM to consider	

The option to use the QM Managed CAP process can be confirmed to the APM up to 3 months from the release of the VAR.

*Exception: Priority non-conformance for working hours where working hours is under 84hr/week and/or social insurance (timeline = timeline above plus 1 week)

**Exceptions:

- Priority non-conformance for working hours where working hours is > 84hr/week = 90 days
- Priority non-conformance for working hours where working hours is under 84hr/week = 180 days
- Priority non-conformance for social security = 180 days
- Priority non-conformance on fees (code provision A1) = 90 days

3.2. Overall CAP Timeline

The following table shows the issues and associated timelines.

Rating	Finding	Submit CAP	Approved CAP	Progress / Complete CAP
Priority	All findings except those noted below (this include Working Hour >84 h/week	1 week from discovery	10 calendar days from discovery	30 days from discovery
Priority	Working Hour ≤ 84 h/week and Social Insurance	2 weeks from receipt of final AR	6 weeks from receipt of final AR	180 days from receipt of final AR
Major	All	2 weeks from receipt of fin al AR	6 weeks from receipt of final AR	180 days from receipt of final AR (guidance only)
Minor	All	2 weeks from receipt of final AR	6 weeks from receipt of final AR	In conformance within 270 days from receipt of final AR
Risk of Non-conformance	All	2 weeks from receipt of final AR	6 weeks from receipt of final AR	270 days from receipt of final AR (guidance only)

The following table shows the associated CAP timelines for Priority non-conformances related to fees.

Rating	Finding	Submit CAP	Approved CAP	Reimbursement Plan	Progress / Complete CAP
Priority	Recruitment Fees (existing Workers)	1 week from discovery	14 calendar days from discovery	Auditee submits: 90 calendar days(*)	90 days from reimbursement plan approval(*)
	Departed Workers (< 6 months)				270 days from reimbursement plan approval (**)

* RBA must approve Remediation Plan; Remediation Plan must include implementation steps for no fees recruitment policy(ies)

** Workers resigned within 6 months prior to the last audit day, the facility has 90 days to make "best efforts" to contact workers that have left the facility within the last 6 months. Workers then have 90 days to request repayment and then those fees must be paid back within 90 days of acceptance

3.3. Process Steps and Timing of APM CAP process

The following steps, timelines and process applies to the QM managed CAP process or in the case of a priority finding, regardless of whether the QM is managing the CAP process.

More information about the CAP process can also be found at:
www.responsiblebusiness.org/media/docs/AQMManagedCAPProcess.pdf

1.3.1 Priority Non-conformance

The timeline in section 3.1should be followed for priority non-conformance.

If a finding is deemed to be a priority during QA, the QM then assumes the role of the audit team and contacts the auditee to have them immediately remove the threat and continue with the timeline.

1.3.2 Major, Minor and Risk of Non-conformance

Time	Action	Responsible
0 weeks	• Receipt of final VAR and CAP template pre-populated	APM
2 weeks	• Submit completed CAP version 1	Auditee
	• Review and provide feedback on CAP version 1 within 48h or approve CAP	APM
	• Communicate CAP status and Approved CAP (if applicable) to companies on Attachment B and APM	APM
4 weeks	• Submit completed CAP version 2	Auditee
	• Review and provide feedback on CAP version 2 within 48h or approve CAP	APM
	• Communicate CAP status and Approved CAP (if applicable) to companies on Attachment B and APM	APM
6 weeks	• Submit completed CAP version 3	Auditee
	• Review and provide feedback on CAP version 3 within 48h or approve CAP version 3	APM
	• Communicate CAP status and Approved CAP (if applicable) to companies on Attachment B Note: If version 3 is not approved then process ends	APM

Time	Action	Responsible
1 month from CAP approval and every following month until CAP completed or maximum of 12 months from the date of implementation of CAP	• Provide monthly update of non-conformance CAP implementation progress to APM for a maximum of 12 months	Auditee
	• Submit proof for each non-conformance conformance CAP implementation which has been completed	Auditee
	• Review of non-conformance CAP implementation progress	APM
	• Communicate non-conformance CAP implementation Status to companies on Attachment B	APM
CAP implementation completed to a maximum of 12 months from the date of implementation of CAP	• Closure Audit process management	APM

3.4. Escalation

If there is a delay in submission of CAP of one week and the APM will inform the Attachment B Companies (RBA members only). The Attachment B Companies can follow up with Auditee and facilitate, if needed, a timely submission of CAP or implementation updates. The "late" notification is repeated to the Attachment B Companies until receipt of CAP or implementation update is received on a weekly basis.

The Attachment B Companies are informed by the APM if the CAP implementation status varies by more than 20 percent versus agreed CAP implementation due date or RBA CAP timeline.

3.5. Approval of Corrective Actions

- The Corrective Action Plan should be approved by the AQM before any corrective actions are implemented.
- APM should review and approve the CAP for all non-conformances within 2 days of submission.
- All corrective actions must be reviewed and approved by the APM before they can be closed. Corrective actions cannot be approved until the auditee provides a completed CAP and proof of implementation.

NOTE: The objective of obtaining APM approval is to ensure completeness of CAP, completeness of implementation, use of correct RBA format. It is not an approval or statement of conformance. Conformance can only be determined by the qualified third-party audit firm upon detailed review through a Closure Audit (remote or on-site).

3.6. Monitoring Progress

- For CAPs with implementation periods greater than 30 days, auditees must provide RBA VAP APM with status updates at monthly intervals. It is the auditee's responsibility to submit this to the APM.
- Once the auditee believes the CAP has been fully implemented, the auditee must provide a final status update indicating the non-conformance has been addressed and provide the appropriate evidence supporting this position.
    - The evidence must be provided in commonly accepted formats (JPEG, PDF, Word.doc, excel, etc.). It is the responsibility of the auditee to provide evidence in a format that can be accessed by the APM.
    - Evidence must have the correct references in and to the CAP template to allow easy navigation between CAP template and proof of implementation.
- If the Corrective Action has not been closed in the time specified in the CAP or if the corrective action is inappropriate, the auditee has to provide a proposal to address the issue in the CAP worksheet status.

Any changes to an approved CAP must be reviewed and authorized by the APM.

APPENDIX 5 ROOT CAUSE ANALYSIS

The first step in the CAP process is to conduct a root cause analysis for each non-conformance.

"Root Cause Analysis" is a method used to identify underlying cause(s) of a non-conformance. It is used to correct or eliminate the cause and prevent the problem from recurring. If a root cause analysis is not conducted, or conducted poorly, there is a risk that time and resources may only address the symptoms of a problem, rather than addressing the real issue.

The most common element of a root cause analysis includes asking "Why a particular non-conformance occurred?" and documenting the answer.

When considering "Why" a particular problem occurred, it might be useful to consider the following potential elements to ensure comprehensive analysis:

- Knowledge – Did the problem occur due to lack of awareness or knowledge?
- Assignment – Did the problem occur because responsibility was not clearly assigned?
- Tools – Did the problem occur because appropriate tools are not available?
- Training – Did the problem occur due to lack of proper training?
- Accountability – Did the problem occur because little/no accountability, e.g. in typical situation nothing happens when the task is not done?
- Resources – Did the problem occur due to insufficient resources?

The corrective action to a root cause often requires the examination of one or more of the above management systems for change or improvement.

Example: Consider the case of a worker observed not wearing hearing protection in a high noise area. It may be easy to conclude that the reason was that hearing protection was not provided. However, upon a more thorough evaluation of the evidence, the auditor may find that the auditee was unfamiliar with the regulation requiring the use of hearing protection, or that the worker was not trained on the need to wear hearing protection, or the auditee lacked an enforcement/ reinforcement process. These are more fundamental or root causes of the observed deficiency.