



Sedex Members Ethical Trade Audit Report

Version 6.1



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Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: 403650202	Sedex Site Reference: (only available on Sedex System)	ZS: 403751845	
Business name (Company name):	Comercializadora GAB, SA de CV			
Site name:	Comercializadora GAB, SA de CV			
Site address: (Please include full address)	Carretera Panamericana km5, Tramo Irapuato Salamanca, Col. Rancho Grande, Irapuato Guanajuato PC. 36544	Country:	Mexico	
Site contact and job title:	Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology			
Site phone:	4626262939	Site e-mail:	jcgarcia@mrlucky.com.mx	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	20 July 2023			

Audit Company Name & Logo:	Report Owner (payer):
 Intertek Testing Services de Mexico, SA de CV	Comercializadora GAB, SA de CV

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)			

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com.

To confirm the validity of this report, please visit

<https://www.sedex.com/audit-verifier/>

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 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.

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.

Any exceptions to this must be recorded here (e.g. different sample size):

- No exceptions observed during the audit.

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Mariela Castillo, Auditor APSCA Number: CSCA21705415

Lead auditor APSCA status: Certified Social Compliance Auditor (CSCA)

Team auditor: Not applicable

Interviewers: Mariela Castillo, Auditor APSCA Number: CSCA21705415

Report writer: Mariela Castillo, Auditor APSCA Number: CSCA21705415

Report reviewer: Cesar Hernandez

Date of declaration: 20/07/2023

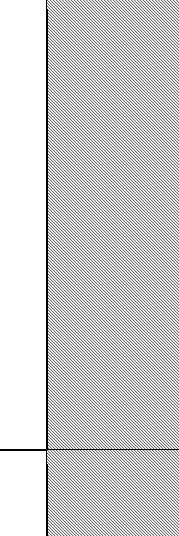
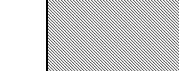
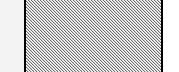
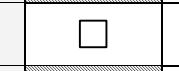
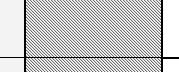
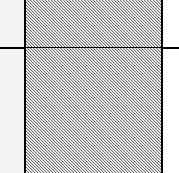
Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

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.

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	

0A	<u>Universal Rights covering UNGP</u>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	None observed
0B	<u>Management systems and code implementation</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
1.	<u>Freely chosen Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
3	<u>Safety and Hygienic Conditions</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None observed
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	1	GE 1. Company provides supplies to children from the local community to attend school.
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	1	GE 1. Facility provides free transportation and food service 50% subsidized to employees.

6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	NC	<p>1. 2 out of 42 workers in the sample worked more than 60 hours in a week Facility has addressed the issue and all workers worked less than 60 hours and 6 days a week with 1 day off.</p> <p>2. During the documentary review, it was noted that 7 employees in the sample worked 7 days without rest. Facility has addressed the issue and all workers worked less than 60 hours and 6 days a week with 1 day off.</p>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	1	GE	<p>1. The site offers events of "social activities" that contribute to the integration of different cultures in the workplace.</p>
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed	
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed	
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed	
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed	
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	Not applicable	
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	1	GE	<p>1. Company actively participates in reforestation days</p>

10C	<u>Business Ethics</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None observed
General observations and summary of the site:									
The site was established in 1994 and Manufacture Fresh Vegetables.									
It has an approximate area of 60,000 sq. meters of construction.									
Overall responsibility for meeting the standards is taken by Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology									
There is currently a total of 991 employees working in the facilities, which includes 844 production employees and 147 non-productive employees.									
The distribution was male 40%, female 60%.									
The youngest employee found within the sample was 26 years old.									
The Union in the facility Sindicato de Trabajadores de las empresas empacadoras de productos alimenticios similares y conexos de la República Mexicana.									
Site does not use sub-contractor; all processes are completed in the facility.									
The facility operates in three shift that runs from:									
- 6:00 to 14:00 with 30 minutes for lunch time, from Monday to Saturday.									
- 14:00 to 22:00 with 30 minutes for lunch time, from Monday to Saturday.									
- 8:30 to 17:30 with 1 hour for lunch time, from Monday to Friday and 8:30 to 13:30 on Saturday (Administrative Area)									
Employee wages were calculated at the daily rate and paid weekly on Thursday.									
Standard hours on site were on average 45 hours/week with 1 day off in every 7-day period for all employees.									
Attendance is recorded digitally with proximity card.									
The days, hours of work and benefits are described in the Internal Work Regulation and in the Individual Work Contracts.									
The peak season is December.									
10 employees were selected for interview including 3 male and 7 female employees; they were interviewed as 1 group of 4 and 6 employees were interviewed individually.									
4 months of attendance and payroll records were available for review from April 2023 to July 2023; from them 3 pay periods of the following months were selected: July 10 to 16, 2023 (current month), June 12 to 18, 2023 (random month) and May 15 to 21, 2023 (random month).									
Additional Auditor Remark:									
The company has a contingency plan for COVID-19 and measures include:									
1. Permanent use of face mask for workers and visitors.									
2. Alcohol gel and wipes available in common areas.									
3. Measure of body temperature prior getting to the facilities.									
4. Signalizing for COVID measures.									

*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.

Site Details

Site Details											
A: Company Name:	COMERCIALIZADORA GAB, S.A. de C.V.										
B: Site name:	COMERCIALIZADORA GAB, S.A. de C.V.										
C: GPS location: (If available)	GPS Address: 20°39'34.3"N 101°17'38.5"W	Latitude: 20.659525 Longitude: -101.294016									
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	<p>Land Use License: DGDU/DAU/GI/02/6733/2021 since June 2022 to June 2024. Fire license (civil protection), SSCM/CMPC/TyS/1863/22. Hazardous waste registration: 11/HR-0150/07/21 Name of employer and registration: COMERCIALIZADORA GAB, S.A. de C.V. / B47-29913-10/ 1000 employees registered. Employer Tax ID: CGA9606142C5 Address corresponding to register: Carretera Panamericana km5, Tramo Irapuato Salamanca, Col. Rancho Grande, Irapuato Guanajuato PC. 36544</p>										
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacture Fresh Vegetables.										
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>COMERCIALIZADORA GAB, S.A. de C.V. is located in Carretera Panamericana km5, Tramo Irapuato Salamanca, Col. Rancho Grande, Irapuato Guanajuato PC. 36544</p> <p>The total land area occupied was approx. 60,000 sq. meters of construction. The facility has operated in the existing location since 1994.</p> <table border="1"><thead><tr><th>Production Building no 1</th><th>Description</th><th>Remark, if any</th></tr></thead><tbody><tr><td>Floor 1</td><td>Production area, auditorium, dining room, day care, medical services, dental services, warehouse, loading and unloading area, maintenance.</td><td>Year of establishment: 1994</td></tr><tr><td>Is this a shared building?</td><td>No</td><td>None.</td></tr></tbody></table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>		Production Building no 1	Description	Remark, if any	Floor 1	Production area, auditorium, dining room, day care, medical services, dental services, warehouse, loading and unloading area, maintenance.	Year of establishment: 1994	Is this a shared building?	No	None.
Production Building no 1	Description	Remark, if any									
Floor 1	Production area, auditorium, dining room, day care, medical services, dental services, warehouse, loading and unloading area, maintenance.	Year of establishment: 1994									
Is this a shared building?	No	None.									

	<p>F2: Please give details: No cracks observed.</p> <p>F3: Does the site have a structural engineer evaluation?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: The company has civil protection approval.</p>
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homewoker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	December
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	1. Cooling 2. Storage in chambers 3. Process 4. Storage 5. Shipping
J: What form of worker representation / union is there on site?	<input checked="" type="checkbox"/> Union (Sindicato de Trabajadores de las empresas empacadoras de productos alimenticios similares y conexos de la República Mexicana.) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation N/A
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers N/A
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details The site does not provide accommodation buildings.

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 14:30	Day 2 Time in: NA Day 2 Time out: NA	Day 3 Time in: NA Day 3 Time out: NA
B: Number of auditor days used:	1 man-day (1 auditor x 1 day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input checked="" type="checkbox"/> Partial Follow-up <input type="checkbox"/> Partial Other If other, please define: Not applicable		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not: Not applicable		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause: Not applicable		
G: Who signed and agreed CAPR (Name and job title) Alejandro Jauregui / Manager	Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	01-02-03/2023		
J: Previous audit type:	Periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	There is no worker committee at the facility.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Union representatives were attending their duties filing legal paperwork at government facilities.		

Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	400	0	0	0	0	0	0	400
Worker numbers – female	591	0	0	0	0	0	0	591
Total	991	0	0	0	0	0	0	991
Number of Workers interviewed – male	3	0	0	0	0	0	0	3
Number of Workers interviewed – female	7	0	0	0	0	0	0	7
Total – interviewed sample size	10	0	0	0	0	0	0	10

A: Nationality of Management	Mexican		
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: Mexican	Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If no, please describe how this may vary during peak periods: Not all employees were hired on peak season
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 100%		
D: Worker remuneration <i>(management information)</i>	D: 0% workers on piece rate D1: 0% hourly paid workers D2: 100% salaried workers Payment cycle: D3: 0% daily paid. D4: 89% weekly paid. D5: 0% monthly paid. D6: 11% other D7: If other, please give details Biweekly		

Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 group of 4 employees (4)	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: Not applicable	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: Not applicable	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H: What was the most common worker complaint?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
I: What did the workers like the most about working at this site?	All employees interviewed had a positive attitude to management and site.	
J: Any additional comment(s) regarding interviews:	Working environment and opportunities.	
K: Attitude of workers to hours worked:	Most employees enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes		

No

L1: If yes, please give details: Not applicable

M: Attitude of workers:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

10 employees selected for interview including 3 males and 7 female employees, they were interviewed as 1 group of 4 as some single sex group and the balance of 6 employees were interviewed individually. The employees were assured of confidentiality and they spoke freely of their views of the factory. All employees said they were satisfied with their employment at the factory and they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

They were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used. They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as food quality to their union representative who would take it to the union meeting.

N: Attitude of worker's committee/union reps:

(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

There is no worker committee at the facility. Union representatives were attending their duties filing legal paperwork at government facilities.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The management of all areas provided all the information to the auditors and had a positive and very receptive attitude throughout the process.

Audit Results by Clause

0A: Universal Rights covering UNGP [\(Click here to return to summary of findings\)](#)

0.A. Guidance for Observations

- 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
- 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
- 0.A.3 Businesses shall identify their stakeholders and salient issues.
- 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The facility has a person designated to implement standards on Specialist in Social Responsibility and Sustainability: Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology

The facility published a human right in common areas. The terms and conditions for employees are stated in the employee handbook and some employees are trained in the grievance procedure. The facility has communicated its policy to its suppliers and has identified interested parties.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Management interview.
Employee interviews.
Documents review.
Published human rights statement.
handbook, some anonymous grievance material from the confidential E-mail
Complaints and suggestions procedure.
Proof of communication of human rights statement to some employees.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Universal Rights covering UNGP.

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The factory is committed to all interested parties.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ing. Juan Carlos García Negrete Job title: Head of Safety, Hygiene and Ecology
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Complaints and suggestions mailbox, electronically and a hotline
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details N/A
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The site has a locked filing cabinet with employee personnel records. Employees can access their personnel records if they request it. HR staff are the only other members of staff with access.

Findings		
Finding: Observation <input type="checkbox"/> Description of observation: None observed.	Company NC <input type="checkbox"/> Local law or ETI/Additional elements / customer specific requirement: Not Applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2022 0.8 %	A2: This year 2023 0.6%
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	December 2022-February 2023 0.4%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2022 0.9 %	C2: This year 2023 0.8%
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	December 2022-February 2023 0.5%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Management keeps a record of any accidents	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2022 Number: 10	F2: This year: 2023 Number: 1
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	December 2022-February 2023 1%	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 2022 156	H2: This year: 2023 44
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 45.65% workers	I2: 12 months 68.34% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 4.76% workers

0B: Management system and Code Implementation[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
0.B.4 Suppliers are expected to communicate this Code to all employees.
0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Responsibility for meeting the legal and client code requirements is Ing. Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology

Ensuring that licenses and business permissions were up to date the responsibility of the HR department. Overall responsibility for meeting the standards was taken by Ing. Juan Carlos García Negrete / Head of Safety, Hygiene and Ecology

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate)

Details:

Client's code of conduct at the factory posted in Spanish.

A manual created by the factory which contained all required documents and all appropriate procedures Code of conduct and the legal requirements.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Management system and Code Implementation.

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: Auditor checked this through internet and no fines/prosecutions was noted.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Policies existed for some of these areas (Forced labour, Health and

	Safety, Living Wage, Working Hours, No harsh treatment, Environment and Business Ethics).
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	<p>Policies were communicated to employees published in common areas.</p> <p>Through documents review and employee interview, policy on No harsh treatment and Environment was fully in compliance with the code.</p> <p>Employees stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.</p>
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>D1: Please give details:</p> <p>Standards on 'Forced labour' and 'No harsh treatment' were communicated to employee though posters and is published in common areas</p>
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>E1: Please give details:</p> <p>Introductory training records for new employees and periodic records</p>
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>F1: Please give details: The Facility does not have Certificate</p>
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>G1: Please give details:</p> <p>Name: Yaneth Vázquez Carrillo Job title: Talent and Human Capital</p>
H: Is there a senior person / manager responsible for implementation of the code	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>H1: Please give details: Juan Carlos García Negrete /Head of Safety, Hygiene and Ecology</p>
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>I1: Please give details:</p> <p>The site has developed its Personal Data Protection Notice, according with the requirements of the law.</p>
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>J1: Please give details:</p>

	All employees' private information such as personal identity information is managed by human resources delegate, and it could only be accessed by authorized personnel.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The company implements evaluations analysing the effectiveness of the policies
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1Please give details: Risk assessments were conducted by the team of the facility and outputs were reviewed by management to establish steps to remove, avoid or mitigate any risks identified.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility had communicated the ETI code to its own suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: The site showed the auditor their leasing agreement in original form records. All required land rights licenses were provided.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: These were performed by the parent facility's legal staff to accepted procedures for due diligence.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC: N/A
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The site is leased, and the contract states all the required information.

R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The area where the site is located is only used for industrial environments.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: All the areas of factory were legal according to the interview.

Non-compliance:		
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: None observed.	<input type="checkbox"/> NC against Local Law	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable
Local law and/or ETI requirement: Not applicable		
Recommended corrective action: Not applicable		

Observation:	
Description of observation: None observed.	Objective evidence observed: Not applicable
Local law or ETI requirement: Not applicable	
Comments: None	

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: Not applicable

1: Freely Chosen Employment[\(Click here to return to summary of findings\)](#)**ETI**

- 1.1 There is no forced, bonded or involuntary prison labour.
1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

A policy which prohibits forced labor was available for review.
A formalized application stated that employees must present their ID's for proof of age but only copies must be kept in the personnel files and the original given back to the employee.
The employee handbook – given to new joiner's stated that:

- The employees were free to leave the workplace outside of their working hours.

Employees do not require to pay for work tools, PPE, uniform, training.

- They would be given their full wages on their last day of work
- The employees were free to leave the workplace outside of their working hours.
- Workers are free to leave and return to their homes when their shift ends.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Personnel files

Resignation records Factory rules.

Employee handbook.

Management and employee interview.

Hiring procedure.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Freely Chosen Employment.

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected: N/A
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected: NA

C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected: NA
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: NA
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: NA.
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: NA.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: NA
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: NA

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements
 NC against customer code:
None observed.

NC against Local Law

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Observation:

Description of observation:

None observed.

Objective evidence observed:

Not applicable

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: Not applicable

2: Freedom of Association and Right to Collective Bargaining are Respected[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)**ETI**

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

There was union at the site, but employees had the right to join a union if they wish.

Name of the union: Trabajadores de las empresas empacadoras de productos alimenticios similares y conexos de la República Mexicana.

Name of the union representative: Rosa Ramirez.

Management does not repress union activities.

Freedom of Association policy is available at the facility.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Site policy on freedom of association.

Interview with employees.

Interview with managers.

Collective agreement.

Any other comments:

[First Follow-up Audit, July 20, 2023.](#)

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Freedom of Association and Right to Collective Bargaining are Respected.

A: What form of worker representation/union is there on site?	<input checked="" type="checkbox"/> Union (Trabajadores de las empresas empacadoras de productos alimenticios similares y conexos de la República Mexicana.) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: The site has an open-door policy, as well as a grievance mechanism installed to ensure any concerns can be reported. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The union has a designated office space within the premises of the facility.	
F: Name of union and union representative, if applicable:	Trabajadores de las empresas empacadoras de productos alimenticios similares y conexos de la República Mexicana. / Rosa Ramirez.	F1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	N/A	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Rosa Ramirez.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: January 2023
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 1	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Workers understood that they were part of a union, the union also has an office space designated in the premises, therefore employees are free to raise any concerns at any time. Collective agreement was following legal requirements.	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, what percentage by trade Union/worker representation	M1: 89% workers covered by Union CBA	M2: 0% workers covered by worker rep CBA
M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:

Description of observation:

None observed.

Objective evidence observed:

Not applicable.

Local law or ETI requirement:

Not applicable.

Comments:

Not applicable.

Good Examples observed:

Description of Good Example (GE):

None observed.

Objective evidence observed:

Not applicable.

3: Working Conditions are Safe and Hygienic[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)**ETI**

- 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.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:**1. General Health and Safety management**

- Mr. Juan Carlos García Negrete (Safety and Hygiene Head) is the responsible of the Health & Safety
- Potable water was freely available in all areas and test certificates were up to date
- Sufficient clean toilets segregated by gender were available at all the time to employees
- Ventilation, temperature, and lighting were adequate for the production processes
- Minutes of meetings showed monthly meetings between the H&S committee (employees) and the H&S manager, and each point was acted on.

2. Fire Safety

- There are 106 extinguishers in the facility.
- There are 50 fire detection systems in the facility.
- There are 26 emergency alarm in the facility.
- There are 17 emergency exits in the facility.
- There are 62 emergency lighting in the facility.
- There are 3 meeting points in the facility.
- The evacuation layout was published in common areas.
- Fire drills were organised and recorded 2 times per year of production and offices.
- Training had been given by the facility

3. Electrical safety

- All electrical equipment was in good condition such as sockets, plugs, switches, and main fuse boards.
- There were competent electricians at the site and their training certificates were available for review.

4. Chemical safety

- All chemicals were correctly labelled.
- Material Safety Data Sheets were available and there were hazard diagrams on any chemicals which needed careful handling.
- Employees in the chemical store confirmed that they had been trained on correct handling procedures as well as what to do in an emergency.

5. Medical services

- There were adequate first aid kits in each production area, and they were well stocked.
- There were 5 first aiders kits.
- There was a medical room in the facility with 1 doctor and 4 nurses.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Health and safety policy

Interviews with employees and interviews with managers.

Training records.

Safety and health policies and procedures.

Layout of facility posted in common areas.

Integration of the Safety and Hygiene Commission on January 08th, 2022. Last tour of the Health and Safety Commission. July 29th, 2022 and December 28th, 2022.

Fire risk assessment, April 20th, 2022. Carried out by Industrial Safety

Result: Ordinary.

Internal civil protection program approved by coordinación Municipal de Protección Civil Irapuato Since August 08, 2022 to August 2023. (SSCM/CMPC/TyS/1863/22) and Departamento Técnico de Prevención de Incendios (SSCM/CMP/PR/0459/2022)

Emergency fire assistance plan 2022. Carried out by Industrial Safety

Last report of emergency drills: July 7th and 8th, 2022

Integration of the first aid brigade (14 employees) and training records of August 05th, 2022, carried out by Ing. Edgar Alejandro Nieto (NIED760424156-0005)

Integration of the fire brigade (12 employees) and training records of April 30th, 2022, carried out by Ing. Arturo Mancera.

Integration of the evacuation brigade (15 employees) and training records of June 24th, 2022, carried out by Ing. Juan Carlos García Negrete.

Last record of the monthly review of extinguishers. February 2023, Carried out by Dagesa Extintores

Annual review program for electrical installations and maintenance logs does not apply.

Work at confined spaces procedure 2018. MS-NB-NOM-009-AC

Work at heights procedure 2022. GAB-NOM-009-PS

Open flame and / or welding work procedure May 2022 GAB-NOM-027-PS

Safety procedure for manual cargo handling activities 2022.

Tagout/ lockout procedure 2017.

Substance handling and storage procedure October 2022. MOLMX-NOM-005

Maintenance program for the machine and review of tests.

Specific forklift review and maintenance program, Last revision January 18, 2023.

Machinery risk assessment January 2023. Carried out by the facility.

Potential risks assessment on hazardous chemicals. May 2022. Carried out by the facility.

Noise assessment, September 13th, 2022. Carried out by Industrial Safety (Heriberto Soto Lopez) PER-08-07-2022-016.

Lighting assessment, August 08th, 2022. Carried out by Industrial Safety (Heriberto Soto Lopez) PEI-29-06-2022-025.

Pollutants in the work environment assessment, July 2019, the facility only have the recognition Carried out by IQA Ingeniería y Química Ambiental Aplicada S.A de C.V.

Recognition and Evaluation of Elevated or Depressed Thermal Conditions, July 27th, 2022. Carried out by Industrial Safety (Heriberto Soto Lopez) PECA-12-04-2022-004.

Analysis of potential risks for welding and cutting activities May 2022 (GAB-NOM-027-AR)

Electrical ground assessment. July 27th, 2022. Carried out by Industrial Safety (Heriberto Soto Lopez) PEEE-08-07-2022-042.

Personal protection equipment assessment March 2022. Carried out by the facility.

Certificates of delivery of PPE.

Harmonized system of identification and communication of hazards and risks by hazardous and mixed chemicals. List of dangerous substances and Safety sheets of chemicals (SDS).

Pressure vessel operation notice for 26 category III

1. NOM-009-STPS-2011, conducted by Ing. Edgar Alejandro Nieto (NIED760424156-0005), on December 27th, 2022, to 09 employees.
2. NOM-004-STPS-1999, conducted by Ing. Juan Carlos García (Intern), on May 27th, 2022, to 15 employees.
3. NOM-020-STPS-2011, conducted by Ing. Edgar Alejandro Nieto (NIED760424156-0005), on October 15th, 2022, to 05 employees.
4. NOM-005-STPS-1998, conducted by Ing. Edgar Alejandro Nieto (NIED760424156-0005), on February 24th, 2022, to 08 employees.
5. NOM-018-STPS-2015, conducted by Ing. Elias Gabriel Santiago, on December 16th, 2022, to 37 employees.
6. NOM-017-STPS-2008, conducted by Ing. Juan Carlos García (Intern) on October 11th, 2022, to 13 employees.
7. NOM-027-STPS-2008, conducted by Ing. Edgar Alejandro Nieto (NIED760424156-0005), on May 20th, 2022, to 09 employees.
8. NOM-029-STPS-2011, conducted by Ing. Edgar Alejandro Nieto (NIED760424156-0005), on July 8th, 2022, to 11 employees.
9. NOM-036-1-STPS-2018, conducted by Ing. Juan Carlos García (Intern) on August 5th, 2022, to 19 employees.

Operating notice for the canteen JUI/PyS/078/2012

Occupational health tests.

1. Audiometry, carried out by Unidad de Diagnóstico Biomédica
2. Spirometry, carried out by Unidad de Diagnóstico Biomédica
3. Examinations of personnel exposed to manual handling of loads, carried out by Unidad de Diagnóstico Biomédica

Last purchase bill for drinking water, February 1st, 2023.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Working Conditions are Safe and Hygienic.

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The site has a person responsible for the Health & Safety measures and a H&S committee who met regularly – evidence of actions
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Each employee was trained at the induction, additionally, all policies are available for review in a common area.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No additional floors have been added.

D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors are provided with H&S information, and the visitor was requested to read it prior to the entrance to the site.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: There is a medical room available for employees, the room meets legal requirements.
F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: There is a doctor onsite to attend any emergencies.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: An external provider is hired to provide transportation services to workers.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: No dormitories on site.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Fire risk assessment, lighting assessment, noise assessment, PPE assessment, machinery risk assessment, and others as well.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Environmental compliance was shown by the site.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The facility is meeting the program's requirements and legal requirements.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:	
Description of observation: None observed.	Objective evidence observed:
Local law or ETI requirement: Not applicable.	Not applicable.
Comments: Not applicable.	

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: Not applicable.

4: Child Labour Shall Not Be Used[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)**ETI**

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

A formal procedure is in place to check the age of employees during their application process included checking ID's. Hiring procedures.
After joining original IDs were returned and only copies kept on file.
Youngest employee found within the sample was 20 years old.
No juvenile workers were found to be working.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Personnel files of all employees within the sample
Latest list of employees
Records of any health checks
Site tour
Employee interviews
Management interview

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Child Labour Shall Not Be Used.

A: Legal age of employment:	15 years old with restrictions: Those over fifteen and under eighteen years of age must obtain a medical certificate proving their aptitude for work and undergo the medical examinations periodically ordered by the corresponding labour authorities. Without these requirements, no employer will be able to use your services.
B: Age of youngest worker found:	26 years old

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? <i>(Go to clause 3 – Health and Safety)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details N/A

Non-compliance:
1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:

None observed.

Objective evidence observed:
(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:
Description of observation:

None observed.

Objective evidence observed:

Not applicable.

Local law or ETI requirement:

Not applicable.

Comments:

Not applicable.

Good Examples observed:
Description of Good Example (GE):

During the documentary review, it was observed that the company provides supplies to children from the local community to attend school.

Objective Evidence Observed:

The company provides supplies to the children of the vulnerable community so that they continue to attend school.

5: Living Wages are Paid[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key information\)](#)**ETI**

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The local legal minimum wage was \$207.44 MXN / day as of January 1st, 2023.

All employees' wages were calculated by a daily rate. The minimum wage paid by the factory was \$238.48 MXN / day according to the wage records,

The wages office was well organized with a good, controlled set of processes which were understood by all employees.

All employees were provided with written and understandable information about their employment conditions in respect to wages before they entered employment and about the particulars of their wages for the pay period concerned each time that they were paid.

Document review of payroll and employee wage records showed that all employees are provided with social insurance.

Benefits of paid, annual leave was given to all employees and child-bearing leave to appropriate employees.

All social insurance payments were passed on to the relevant authorities in a timely manner.

All employees were paid weekly by transfer and each employee was given a pay slip and signed for their wages.

Wages had been recorded according to documents checked.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Document review employee interviews.

Local and national laws Wages and benefits policy.

Local legal minimum wage documents.

4 months of attendance and payroll records were available for review from April 2023 to July 2023; from them 3 pay periods of the following months were selected: July 10 to 16, 2023 (current month), June 12 to 18, 2023 (random month) and May 15 to 21, 2023 (random month).

Leave records.

Social insurance and payment receipts from the local labour department. Payment performed in January and February 2023.

Labour contracts for all employees (to examine agreed wage rates)

Resignation records

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Living Wages are Paid.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:
None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:

Description of observation:

None observed.

Objective evidence observed:

Not applicable.

Local law or ETI requirement:

Not applicable.

Comments:

Not applicable.

Good Examples observed:

Description of Good Example (GE):

During Management interview it was noted that the Facility provides free transportation and food service 50% subsidized to employees.

Objective Evidence Observed:

Management interview and document review

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 48 hours per week.	A1: 45 hours per week.	A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: There is no limit however more than 9 overtime hours per week are requested need to be in a voluntary manner.	B1: 9 hours per week.	B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: \$207.44 MXN per day, \$1,452.08 MXN per week and \$5,808.32 MXN per month of 28 days.	C1: \$238.48 MXN per day, \$1669.36 MXN per week and \$7,154.40 MXN per month of 28 days.	C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 200% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	D1: 200% of normal wage rate for weekday overtime, 200% of normal wage rate for weekend overtime and 300% of normal wage rate for statutory holiday overtime.	D2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis:

[\(Click here to return to Key Information\)](#)

A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No, why not?	N/A

B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	July 2023 (current month), 10 records were reviewed June 2023 (random month), 10 records were reviewed May 2023 (random month), 10 records were reviewed		
C: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes, please give details: N/A	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No, please give details: N/A	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. \$238.48 MXN per day	
F: Please indicate the breakdown of workforce per earnings:	F1: 0% of workforce earning under minimum wage F2: 0% of workforce earning minimum wage F3: 100% of workforce earning above minimum wage.		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc. Attendance bonus and productions incentives are provided.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance (pension, accident, unemployment, medical and maternity insurance), personal income tax, etc		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. Social insurance 2. Personal income tax Please describe: Deductions are made weekly.
		I2: Please list all deductions that have not been made.	None.
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence: N/A
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	L1: Please give details: All records show the work during the shift scheme indicated.
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info:</i> Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	M1: Please specify amount/time: N/A
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: N/A	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: Please give details: Once every year according to the Federal Regulation.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	P1: Please give details: All workers at the same work designation are paid equal.
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other	Q1: If other, please explain: N/A

6: Working Hours are not Excessive[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)**ETI**

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Through employees' interview, it was confirmed that overtime is voluntary.

The factory provided hours and wages records from April 2023 to July 2023

According to time records and employee interview basic working hours were 45 hours per week with up to 9 hours of overtime per week.

Minimum wage, overtime wage and working hours were accurately verified.

The facility operates in three shift that runs from:

- 6:00 to 14:00 with 30 minutes for lunch time, from Monday to Saturday.
- 14:00 to 22:00 with 30 minutes for lunch time, from Monday to Saturday.
- 8:30 to 17:30 with 1 hour for lunch time, from Monday to Friday and 8:30 to 13:30 on Saturday (Administrative Area)

Employee wages were calculated at the daily rate and paid weekly on Thursdays.

Attendance records are made by employees and recorded digitally with proximity card.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**Details:**

Employee interview
Management interview
Local and national laws
Factory policy on working hours.
Employees' contracts

4 months of attendance and payroll records were available for review from April 2023 to July 2023; from them 3 pay periods of the following months were selected: July 10 to 16, 2023 (current month), June 12 to 18, 2023 (random month) and May 15 to 21, 2023 (random month).

Any other comments:

First Follow-up Audit, July 20, 2023.

Previous non-compliances were closed during follow-up audit on July 20, 2023. There were no new non-compliances identified during the process of verification of the corrective actions in the section: Working Hours are not Excessive.

Non-compliance:**1. Description of non-compliance:**

NC against ETI NC against Local Law NC against customer code:

During the payroll review, it was noted that 2 out of 42 workers in the sample worked more than 60 hours in a week as follows:

1 employee worked 62 hours (48 regular + 14 OT) on July 18 to 24, 2022.
1 employee worked 63 hours (48 regular + 15 OT) on July 18 to 24, 2022.

Objective evidence observed:

(where relevant please add photo numbers)

1. Payroll and document review
2. Payroll and document review

Local law and/or ETI requirement:

ETI Code 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

Recommended corrective action:

Please do not exceed 60 working hours in a week.

First Follow-up Audit

20/07/23

Closed

During the document review interviews with workers and management, it was noted that the facility provided evidence of the minute of communication with supervisors regarding personnel optiums on 10/03/23, as well as evidence of 10 attendance and payroll records of 10 workers selected for the sample from July 10 to 16, 2023, June 12 to 18, 2023 and May 15 to 21, 2023 in which all workers worked less than 60 hours and 6 days a week with 1 day off. All hours worked are correctly registered and paid according to the requirements of the Law.

2. Description of non-compliance:

NC against ETI code: NC against Local Law NC against customer

During the documentary review, it was noted that 7 employees in the sample worked 7 days without rest as follows:
-5 in the period from July 18 to 24, 2022.
-1 in the period from February 20 to 26, 2023.
-1 in the period from December 12 to 18, 2022.

Local law and/or ETI requirement:

Mexican Labor Law Title III, Chapter III, Article 69, For each six days of work, the employee will enjoy at least one rest day with full payment of wages.

ETI Code 6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Recommended corrective action:

Please comply with requirements of the Law regarding rest days.

First Follow-up Audit

20/07/23

Closed

During the document review interviews with workers and management, it was noted that the facility provided evidence of the minute of communication with supervisors regarding personnel optimums on 10/03/23, as well as evidence of 10 attendance and payroll records. of 10 workers selected for the sample from July 10 to 16, 2023, June 12 to 18, 2023 and May 15 to 21, 2023 in which all workers worked less than 60 hours and 6 days a week with 1 day off. All hours worked are correctly registered and paid according to the requirements of the Law.

Observation:**Description of observation:**

None observed.

Objective evidence observed:

Not applicable.

Local law or ETI requirement:

Not applicable.

Comments:

Not applicable.

Good Examples observed:**Description of Good Example (GE):**

None observed.

Objective Evidence Observed:

Not applicable.

<p style="text-align: center;">Working hours' analysis</p> <p style="text-align: center;">Please include time e.g. hour/week/month (Go back to Key information)</p>						
Systems & Processes						
A. What timekeeping systems are used: time card etc.	Describe: Digitally with a proximity card.					
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details N/A					
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A				
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate: <table border="1" style="width: 100%;"><tr><td style="width: 25%;"><input type="checkbox"/> 0 hrs</td><td style="width: 25%;"><input type="checkbox"/> Part time</td><td style="width: 25%;"><input type="checkbox"/> Variable hrs</td><td style="width: 25%;"><input type="checkbox"/> Other</td></tr></table> If "Other", Please define: N/A	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes, please detail hours, %, types of workers affected and frequency Please give details: N/A				
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: Not applicable	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
	Maximum number of days worked without a day off (in sample):					

	6 days.	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: N/A
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: N/A
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OT hours:</p> <p>July 2023 (current month), 9 hours per week June 2023 (random month), 10 hours per week May 2023 (random month), 10 hours per week</p>	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	10%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Worker agreement and interview
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 200% and 300% of the standard rate
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency:

		Overtime is paid at a premium at 200% and 300% as applicable on a weekly basis.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.		<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other N/A
		O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other
		N/A
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.		<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances. <input type="checkbox"/> Other reasons (please specify)
		P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
		Not applicable no overtime over 60 hours.
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: Through the sample review, it was noted that overtime is used on an extraordinary basis.
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

7: No Discrimination is Practiced[\(Click here to return to summary of findings\)](#)**ETI**

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Anti-discrimination procedure on hiring, compensation, promotion, and access to training was available during the audit.

Gender divisions did not exist in the factory; both female and male employees were distributed in all types of work.

There was an internal grievance process implemented and known by the employees.

There was no evidence of sexual harassment.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

The hiring and termination procedure, leave application records and employee handbook.

Payrolls

Attendance records

Termination records

Training records

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: No Discrimination is Practiced.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: 35 % A2: Female: 65 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training

<p>gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found. C1: Please give details: No discrimination practices were found.
--	--

Professional Development	
<p>A: What type of training and development are available for workers?</p>	All employees were given H&S training, females as well as males were trained to become supervisors and managers.

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: N/A
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Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: Not applicable.</p> <p>Recommended corrective action: Not applicable.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: Not applicable.</p> <p>Comments: Not applicable.</p>	<p>Objective evidence observed: Not applicable.</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

During the documentary review it was observed that the site offers events of "social activities" that contribute to the integration of different cultures in the workplace.

Photographs of cultural events were shown during the documentary review.

8: Regular Employment Is Provided[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)**ETI**

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

All permanent employees were recruited by the site directly. The site currently performs all the recruiting process directly.

All employees have a labour contract and are aware of it.

The site has proper systems in place to manage all employees and to ensure that all follow the code of conduct and local labour law.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Hiring and termination practices

Payroll records Contracts

Employees' files

Internal regulation.

Employee and management interviews.

Privacy Notice.

Internal policies.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Regular Employment Is Provided.

Non-compliance:**1. Description of non-compliance:**

NC against ETI NC against Local Law NC against customer code:
None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:**Description of observation:**

None observed.

Objective evidence observed:

Not applicable

Local law or ETI requirement:

Not applicable

Comments:

None

Good Examples observed:**Description of Good Example (GE):**

None observed.

Objective Evidence Observed:

Not applicable

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	<input checked="" type="checkbox"/> Terms & Conditions presented. <input checked="" type="checkbox"/> Understood by workers. <input checked="" type="checkbox"/> Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected: N/A
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees. <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer. <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: N/A
D: If any checked, give details:	N/A

Migrant Workers:

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

A: Type of work undertaken by migrant workers:	No migrant employee in this site.
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0

C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A	C2: Observations: N/A
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles: N/A	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: N/A
C: If any checked, give details:	N/A

Agency Workers (if applicable)

(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)

A: Number of agencies used (average):	A1: Names if available: N/A
---------------------------------------	-----------------------------

B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: N/A
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A

Contractors:

Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details: N/A
B: If Yes, how many workers supplied by contractors?	N/A
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: N/A
D: If Yes, please give evidence for contractor workers being paid per law:	N/A

8A: Sub-Contracting and Homeworking[\(Click here to return to summary of findings\)](#)[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Note to auditor on homeworking:

Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

There were no outside processes or subcontracting' for this company.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**If any processes are sub-contracted – please populate below boxes.**

Not applicable.

Details:

Site tour (Calculation on total production and estimated capacity).

Production records

Management interview

Employee interview

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Sub-Contracting and Homeworking.

Non-compliance:**1. Description of non-compliance:**

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

None observed.

Objective evidence observed:
(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI /Additional Elements requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:**Description of observation:**

None observed.

Objective evidence observed:**Local law or ETI/Additional elements requirement:**

Not applicable.

Not applicable.

Comments:

Not applicable.

Good Examples observed:**Description of Good Example (GE):**

None observed.

Objective Evidence Observed:

Not applicable.

Summary of sub-contracting – if applicable Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting

- Yes
 No

A1: Please describe:

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

- Yes
 No

B1: If **Yes**, summarise details:

C: Number of sub-contractors/agents used:

- Yes
 No

D1: If **Yes**, summarise details:

D: Is there a site policy on sub-contracting?

E: What checks are in place to ensure no child labour is being used and work is safe?

Summary of homeworking – if applicable <input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: The site has a grievance mechanism established through a mailbox that can be used by any employee. The submissions are anonymous and are monitored by the HR Manager.
B: If Yes , are workers aware of these channels and have access? Please give details.	All workers are aware of these channels and have access. There are notices posted in all general and common areas.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	The site has a grievance mechanism established through a mailbox that can be used by any employee. The submissions are anonymous and are monitored by the HR Manager.
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: The suggestions are monitored by the HR team on a weekly basis.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details Not applicable.
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details Not applicable.
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain Not applicable.

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	H1: If no, please give details Not applicable.
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	I1: If yes, please give details Not applicable.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

From the document review, management had established a disciplinary procedure for employees' misbehaviour which included oral warning, written warning and finally termination.

Employee interview confirmed that employees were aware of the disciplinary procedure.

As per management interview, documents review and employees' interview, there was a policy on Harsh Treatment.

There was an internal process for grievance, which was an anonymous mailbox, where employees could report any grievances (harassment, bullying, discrimination etc.); any received complaint would be handled by management, without any reprisal for the employee in question.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

The relevant policy on prevention of harassment and abuse Internal grievance procedure documentation. Training records.

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: No Harsh or Inhumane Treatment is Allowed.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code:
None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI requirement:

Not applicable.

Recommended corrective action:

Not applicable.

Observation:	
Description of observation: None observed.	Objective evidence observed:
Local law or ETI requirement: Not applicable.	Not applicable.
Comments: Not applicable.	

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: Not applicable.

10. Other Issue areas: 10A: Entitlement to Work and Immigration
[\(Click here to return to NC-table\)](#)**Additional Elements**

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

All employees had the proper legal rights to work in this region. [The youngest employee found within the sample was 26 years old. All of them were recruited directly by the facility.](#)

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Hiring procedure

Personnel files

Employee handbook

Any other comments:

[First Follow-up Audit, July 20, 2023.](#)

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Entitlement to Work and Immigration.

Non-compliance:**1. Description of non-compliance:**

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

None observed.

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable.

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable.

Observation:**Description of observation:**

None observed.

Objective evidence observed:

Local law or ETI/Additional Elements requirement: Not applicable.	Not applicable.
Comments: Not applicable.	

Good examples observed:	
Description of Good Example (GE): None observed.	Objective Evidence Observed: Not applicable.

10. Other issue areas 10B4: Environment 4–Pillar[\(Click here to return to summary of findings\)](#)

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements.

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation.

10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Mr. Juan Carlos García Negrete (Head of Safety, Hygiene and Ecology) for environmental issues and legislation oversees environment area onsite.

It was noted that the facility has been registered as a generator of hazardous waste.

The annual monitoring reports for air emission, wastewater and boundary noise were provided for review, and the results were within the restriction per environmental law. Based on observation on site, wastes were classified and collected on site.

Based on employee's interview, they were trained on environmental protection.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

All legally required environmental documents were provided for review.

Energy bills

Water bill

Employee and management interview

Site tour

Any other comments:

First Follow-up Audit, July 20, 2023.

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Environment 4–Pillar.

Non-compliance:**1. Description of non-compliance:**

- NC against ETI/Additional Elements
 NC against customer code:

None observed.

- NC against Local Law

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Observation:**Description of observation:**

None observed.

Objective evidence observed:

Not applicable

Local law or ETI/Additional Elements requirement:

Not applicable

Comments:

None

Good examples observed:**Description of Good Example (GE):**

During the documentary review it was observed that the company actively participates in reforestation days

Objective Evidence Observed:

The reforestation campaign was shown.

Environmental Analysis	
(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Juan Carlos García Negrete (Head of Safety, Hygiene and Ecology)
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: the facility has all the environmental impacts of the site.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: There are no recognised environmental system certifications in place.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes, the facility published in the common areas.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: The policy covers their energy and water consumption, as well as their impact to the land and their compromise to reduction.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please gives details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: There are no other sustainability systems present.
H: Have all legally required permits been shown? Please gives details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: All permits are met in all applicable areas.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: There is a documented procedure on how to handle all chemicals including the hazardous ones.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: This was included in the facility's internal management system.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: Reductions for all-natural resources, and adequate management of all waste.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: All residual waste and recycled waste are measured prior to the supplier picking it up.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility has a database in which they measure continuously water, energy, and waste.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: the facility checked and have a contract that supervised all the premises for operation.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: 2022	Current Year: Please state period: 2023
Electricity Usage: Kw/hrs	13,516,337 kw/hr	1,102,035 kw/hr
Renewable Energy Usage: Kw/hrs	13,516,337 kw/hr (the company has solar panels)	1,102,035 kw/hr (the company has solar panels)
Gas Usage: Kw/hrs	178,420 kw/hrs	5,705 kw/hrs
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please state result	NA	NA
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • Water treatment plant 	<ul style="list-style-type: none"> • Water treatment plant
Water Volume Used: (m³)	145, 490 m³	18,373 m³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • No discharge, recollected as special waste by Agua y Drenaje del SMAOT- 	<ul style="list-style-type: none"> • No discharge, recollected as special waste by Agua y Drenaje SMAOT-

	SGACCSE-DGGA-913/2021	SGACCSE-DGGA-913/2021
Water Volume Discharged: (m³)	Not provided	Not provided
Water Volume Recycled: (m³)	Not provided	Not provided
Total waste Produced (please state units)	288 Tons	21 Tons
Total hazardous waste Produced: (please state units)	7.57 Tons	2.9 Tons
Waste to Recycling: (please state units)	162.1 Tons	14 Tons
Waste to Landfill: (please state units)	0	0
Waste to other: (please give details and state units)	0	0
Total Product Produced (please state units)	7,517,878 boxes	654,498 boxes

10C: Business Ethics – 4-Pillar Audit[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Rosa Maria Butanda Gasca is the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

The facility established a business ethics policy which was communicated to employees through posters and training.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

The facility business ethics policy including Bribery, Corruption

Training records

Employee handbook

Any other comments:

[First Follow-up Audit, July 20, 2023.](#)

No non-compliances were observed during the initial audit and there were no new non-compliances identified during the process of verification of the corrective actions in the section: Business Ethics – 4-Pillar Audit.

Non-compliance:
1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
 NC against customer code:
None observed.

Objective evidence observed:
(where relevant please add photo numbers)

Not applicable

Local law and/or ETI/Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Observation
Description of observation:

None observed.

Objective evidence observed:
Local law or ETI/Additional elements requirements:

Not applicable

Not applicable

Comments:

Not applicable

Good examples observed:
Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers. A1: Please give details: There was a written policy on the need to avoid bribes and fraudulent practices.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The Facility has a training for all Personnel.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Examined each year by HR department and adjusted if needed.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	D1: Please give details: No discussion on this topic with 3rd parties.
--	--

Sedex Members Ethical Trade Audit Report Version 6.1

Other findings

Other Findings Outside the Scope of the Code
Nothing to report

Community Benefits
(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)
Nothing to report

Appendix 1

Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."

Not Applicable please x

Photo Form

General photo

		
Photo 1: Main entrance	Photo 2: Exit door	Photo 3: Emergency Exit

		
Photo 4: Production area	Photo 5: Store hazardous waste	Photo 6: Smoke detector

 1 mar. 2023 12:23:43 p.m. 20.6602N 101.2939W 5817 Irapuato-salamanca Mendoza Guanajuato	 1 mar. 2023 10:23:38 a.m. 20.6582N 101.2940W 5817 Irapuato-salamanca Mendoza Guanajuato	 1 mar. 2023 11:36:19 a.m. 20.6587N 101.2939W 5817 Irapuato-salamanca Mendoza Guanajuato
Photo 7: Trash containers	Photo 8: Pest control	Photo 9: Evacuation route signal

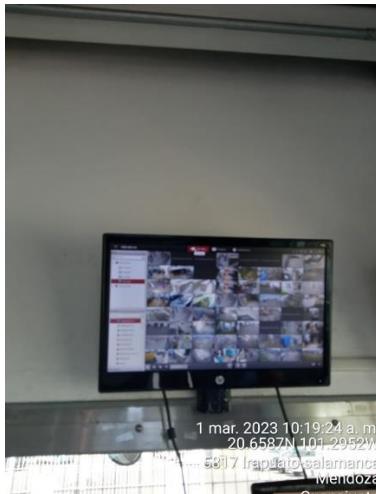
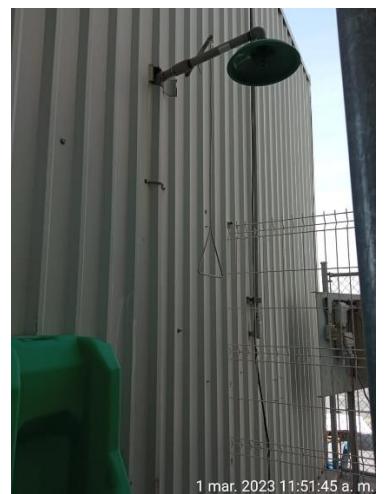
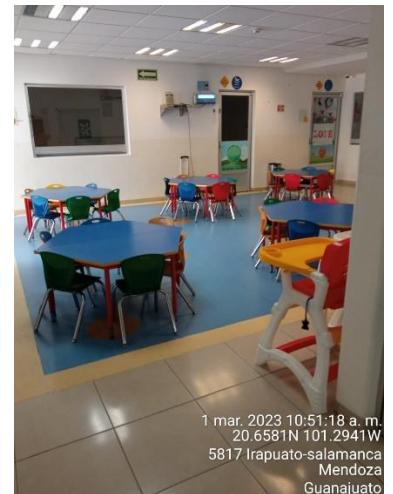
 1 mar. 2023 11:24:13 a.m. 20.6589N 101.2938W	 1 mar. 2023 10:19:24 a.m. 20.6587N 101.2952W 5817 Irapuato-salamanca Mendoza Guanajuato	 1 mar. 2023 10:58:56 a.m. 20.6582N 101.2938W 5817 Irapuato-salamanca Mendoza Guanajuato
Photo 10: Illumination	Photo 11: CCTV monitor	Photo 12: Suggestions box

Photo 13: Publications	Photo 14: Brigades published	Photo 15: Potable water

Photo 16: Chemical products warehouse	Photo 17: Toilets	Photo 18: Main electrical panel

 <p>1 mar. 2023 11:42:34 a.m.</p>	 <p>1 mar. 2023 10:34:06 a.m. 20.6584N 101.2938W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	 <p>1 mar. 2023 10:37:11 a.m. 20.6582N 101.2940W 5817 Irapuato-salamanca Mendoza Guanajuato</p>
Photo 19: PPE	Photo 20: Meeting point	Photo 21: Publications

 <p>1 mar. 2023 10:57:17 a.m. 20.6584N 101.2938W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	 <p>1 mar. 2023 11:51:45 a.m.</p>	 <p>1 mar. 2023 10:51:18 a.m. 20.6581N 101.2941W 5817 Irapuato-salamanca Mendoza Guanajuato</p>
Photo 22: Medical room	Photo 23: Eyewash and emergency showers	Photo 24: Day-care

 <p>1 mar. 2023 12:32:40 p.m. 20.6596N 101.2948W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	 <p>1 mar. 2023 11:03:48 a.m. 20.6585N 101.2936W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	 <p>1 mar. 2023 10:17:02 a.m. 20.6585N 101.2952W 5817 Irapuato-salamanca Mendoza Guanajuato</p>
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Photo 25: Firefighting equipment	Photo 26: Water treatment plant	Photo 27: Fire extinguisher
 <p>1 mar. 2023 12:29:53 p. m. 20.6596N 101.2945W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	 <p>ESTIMADO COLABORADOR, HACEMOS DE TU CONOCIMIENTO QUE A PARTIR DE ENERO 2023 ES MUY IMPORTANTE NO OLVIDES REGISTRAR TUS ENTRADAS Y SALIDAS NI OLVIDAR CREDENCIAL, PUES YA NO SE HARAN CORRECCIONES Y POR TANTO APARECERA EN TU RECIBO COMO FALTA INJUSTIFICADA.</p> <p>GRACIAS POR TU ATENCION.</p> <p>TALENTO Y CAPITAL HUMANO</p> <p>1 mar. 2023 10:16:57 a. m. 20.6585N 101.2952W 5817 Irapuato-salamanca Mendoza Guanajuato</p>	N/A
Photo 28: Container subject to pressure	Photo 29: Attendance record	Photo 30: NA



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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:

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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

Click here for Auditors:

<https://www.surveymonkey.co.uk/r/BRTVCKP>