

Overview

1. Audit Information

Audit report number:	4143461
Audit company:	SGS
Lead Auditor:	Stanford Edwards
Co-Auditor:	NA

Audit Date: (yyyy-mm-dd)	2017-05-30
Audit type:	initial
Follow up report number: (if applicable)	
Witnessed audit?	no

2. Supplier Information

Company name (legal entity):	El Dorado Packaging, Inc
Company site name (if different):	
Ultimate parent company name:	El Dorado Packaging, Inc
Duns number:	079547734
Tax number:	47-1551540
Valid business license?	yes
Date of validity: (yyyy-mm-dd)	1990-01-01
Business license number:	3712078
Site date of foundation: (yyyy-mm-dd)	1962-05-15

Site contact name:	Jackie D'Amico
Function / Job title:	Director of Quality, Safety, Environmental Management
Contact phone number:	612-834-3670
Contact email:	jackie.damico@eldoradopkg.com
Site state / province:	Minnesota
Site country:	United States

3. Audit Findings

Answered questions	146 (of 146)
Thereof questions answered with n/a	36 (24.7%)

Total Score	100%
Total Points / max. Points	200 / 200

Finding Category	Minor	Major	Critical	Total Points [max. Points]
Environment	0	0	0	40 [40]
Health & Safety	0	0	0	60 [60]
Labor & Human Rights	0	0	0	60 [60]
Management	0	0	0	20 [20]
Governance	0	0	0	20 [20]
Total	0	0	0	200 [200]

Please note: Not all questions have been answered!

Additional information:

Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?	no
Are hazardous goods produced or worked with in production?	no
Does the company operate containment facilities to temporarily contain fire water, including rain?	no
Is the company considered energy intensive (high carbon footprint)?	no
Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?	yes
Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?	no
Where is the supplier site located?	in a planned industrial area/zone

Supplier Information

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1. Supplier Details

Company name (legal entity):	El Dorado Packaging, Inc	Site contact name:	Jackie D'Amico
Company site name (if different):		Function / Job title:	Director of Quality, Safety, Environmental
Ultimate parent company name:	El Dorado Packaging, Inc	Contact phone number:	612-834-3670
Duns number (9-digit code)	079547734	Contact email:	jackie.damico@eldoradopk.com
Tax number:	47-1551540	Site address (street, number):	2750 145th Street West,
Valid business license?	yes	Site address 2 (street, number):	
Date of validity: (yyyy-mm-dd)	1990-01-01	Site zip code and city:	55068, Rosemount
Business license number:	3712078	Site state / province:	Minnesota
Date of site foundation: (yyyy-mm-dd)	1962-05-15	Site country:	United States

2. Company Site Overview

Site size (in square meters):	56,000	Number of permanent employees:	55
Number of buildings:	1	Number of temporary workers:	0
Main business activities:	Packaging	Number of seasonal workers:	0
Brief description of business activities:	Multi Bag packaging, since 1962. Poly liners for water resistance, and adding as many as six colors. SFI certified, traceable to the source. AIB Certified and pursuing SQF certification	Other workers (e.g. homeworkers): Please specify:	0
		Number of other workers:	0
		Total number of employees:	55
		... thereof <u>female</u> employees:	6
		... thereof <u>male</u> employees:	49
Audit Scope: Please specify if different from site	Entire production process from receiving raw materials, paper printing, bagging, bottoming , inspection, shipping was included in the scope.		
Auditor site description: Please note down any observations contributing to the understanding of the audit documentation (e.g. complexity of site, state of maintenance of the site, special risk areas for environment or people)	Receiving, storage, distribution and shipping. Recycling is critical to the business. No Hazardous materials are used, no required permits.		

3. Additional information on supplier / audited site:

3.1 Is the company member of any organization or initiative that promotes sustainability?

1. UN Global Compact	no	3. Other (please specify):	
2. Responsible Care Initiative	no	4. Other (please specify):	

3.2 Does the company have any valid certification on management systems?

(yyyy-mm-dd)

1. Quality Management e.g. ISO 9001	no	Valid until:	
2. Good Manufacturing Practices, e.g. GMP ISO 22716	no	Valid until:	
3. Environmental Management, e.g. ISO 14001 or EMAS	no	Valid until:	
4. Occupational Health and Safety, e.g. OHSAS 18001	no	Valid until:	
5. Energy management, e.g. ISO 50001	no	Valid until:	
6. Responsible Care Assessment	no	Date of Assessment:	
7. Labor Standards, e.g. SA 8000	no	Valid until:	
8. Other (please specify):	AIB and SFI	Valid until:	2018-01-01

3.3 Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?

no

3.4 Are hazardous goods produced or worked with in production?

no

3.5 Does the company operate containment facilities to temporarily contain fire water, including rain?

no

3.6 Is the company considered energy intensive (high carbon footprint)?

no

3.7 Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?

yes

3.8 Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?

no

3.9 Where is the supplier site located?

in a planned industrial area/zone

(if "Other" is selected, please describe)

Audit Information

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1. Audit Report Details

Audit report number:	4143461	Follow-up audit number: (please enter on follow-up sheet)	
Audit type (initial, follow-up or re-audit):	initial		

2. Auditor Details

Audit Company:	SGS	Local coordinator for TFS audits:	Ron Bruno
Lead Auditor Location:	North America	Co-Auditor Location:	NA
Lead Auditor Name:	Stanford Edwards	Co-Auditor Name:	NA
Lead Auditor Review Subjects		Co-Auditor Review Subjects	
Environment	yes	Environment	no
Health & Safety	yes	Health & Safety	no
Labor & Human Rights	yes	Labor & Human Rights	no
Management	yes	Management	no
Governance	yes	Governance	no
Lead Auditor phone number:	6619044398	Co-Auditor phone number:	no
Lead Auditor email:	stanford.edwards@sgs.co	Co-Auditor email:	no

3. Audit Details

Starting date:	2017-05-30	Ending date:	2017-05-30
Number of auditor days used (person days):	1.0	Was it allowed to take photos?	yes
Individual Interviews conducted:	yes	Witness audit conducted?	no
Number of individual interviews:	6	EcoVadis assessments available for review?	no
... thereof Female	2	Group interviews conducted?	no
... thereof Male	4	Total number of group interviews:	0
Departments included in interviews		Who attended the opening meeting? (Name, Function)	
Top Management	yes	Jackie D'Amico - Director of Quality, Safety, Environmental Management	
Production	yes	Rod Pray - General Manager	
Warehouse & Logistics	yes	Who attended the closing meeting? (Name, Function)	
Security	no	Jackie D'Amico - Director of Quality, Safety, Environmental Management	
Health, Safety & Environment	yes	Rod Pray - General Manager	
Quality	yes	Who attended the audit? (Name, Function)	
Human Resources	yes	Jackie D'Amico - Director of Quality, Safety, Environmental Management	
Other (Please list)	NONE	Rod Pray - General Manager	

4. Local Laws & Regulations

Standard work week (provide total hours excluding overtime):	40.0	Emission trading scheme CO2:	no
Maximum allowed overtime hours per week (h):	99.0	Emission trading scheme NOx:	no
Minimum legal work age (provide age in years):	18.0	Emission trading scheme SOx:	no
Minimum legal wage for standard hours (in EUR):	6.5	Globally Harmonized System (GHS):	yes
Minimum legal overtime wage (in EUR):	9.8	REACH or similar:	no
Social security system:	yes	Other (please specify):	
Other (please specify):	none	Other (please specify):	

Audit Corrective Action Plan

Audit Report Number: 4143461

Note: The purpose of this Audit Corrective Action Plan Template is to document the mutual understanding of the audit findings. The CAP has to be established and agreed with the supplier during the closing meeting. The auditor should distinguish between minor, major and critical audit findings based on the frequency, severity and probability of the recurrence of an incident found as well as the existing management system and current management response. Once findings and proposed corrective actions have been clearly described by the auditor and understood by the site, both the supplier representative and the lead auditor are expected to confirm these findings with their signatures.

Confirmation

With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm the implementation the below defined corrective actions within the specified time frames.

Site Representative Signature	Company Name: El Dorado Packaging, Inc
	Name: Jackie D'Amico
	Function/Title: Director of Quality, Safety, Environmental Management
	Date: 30 May 2017
Auditor Signature	Audit Company: SGS
	Name: Stanford Edwards
	Function/Title: Lead Auditor - North America
	Date: 30 May 2017

Comments from the supplier (if any)

Working hours comply with local law, and all hours are correctly remunerated. Sales and orders during exceptional business circumstances required some overtime hours with insufficient time to increase head count.

Summary of positive findings / good practices

Please specify strengths of the company with regard to management systems and performance in the 5 audit pillars (if any)

*SFI & AIB certified facility
Wages and Working hours
Reported employee satisfaction*

Corrective Action Plan

Tip: To get an overview of the open findings use the filter in column C

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (Discussed during the closing meeting)	Corrective Actions (Discussed and agreed on during the closing meeting)	Completion Date (Discussed and agreed on during the closing meeting) yyyy-mm-dd
Management / 1.1		No non-conformities observed or reported		

Results follow up action

Audit Report Number: 4143461

Note: The purpose of this Follow up action Template is to document the mutual understanding of the audit findings after the follow up action took place. The status after the follow up as well as the new corrective action with the new completion date has to be established and agreed with the supplier. The auditor should distinguish between minor, major and critical audit findings based on the frequency, severity and probability of the recurrence of an incident found as well as the existing management system and current management response. Once open and/or new findings and proposed new corrective actions have been clearly described by the auditor and understood by the site, both the supplier representative and the lead auditor are expected to confirm these findings with their signatures. Therefore please print this sheet.

Confirmation	
With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm the implementation the below defined follow-ups within the specified time frames.	
	Company Name: El Dorado Packaging, Inc
Site Representative Signature	Name:
	Function/Title:
	Date:
Auditor Signature	Audit Company: SGS
	Name: Stanford Edwards
	Function/Title: SGS North America Lead Auditor
	Date

Type of follow up action	
Please update these information if there are not the same as for the initial report.	
Number of the initial report	4143461
Number of the follow up report	
Date of the follow up action:	
Audit Company:	SGS
Local coordinator for TIS audits:	Ron Bruno
Lead Auditor Location:	North America
Lead Auditor Name:	Stanford Edwards
Co-Auditor Location:	NA
Co-Auditor Name:	NA

Comments from the supplier (if any)

Please specify strengths of the company with regard to management systems and performance in the 5 audit pillars and additional critical finding (if any)

Tip: To get an overview of the open findings use the filter in column G

Reference number <small>(filled automatically)</small>	Finding type <small>(filled automatically)</small>	Details / Description of Finding <small>(filled automatically)</small>	Corrective Actions <small>(filled automatically)</small>	Completion Date <small>(filled automatically)</small>	Status after follow up	Description of results of follow up	New Corrective Actions	New Completion Date <small>(yyyy-mm-dd)</small>
Management / 1.1		No non-conformities observed or reported						
Management / 1.2								
Management / 1.3								
Management / 1.4								
Management / 1.5								
Management / 2.1								
Management / 2.2								
Management / 2.3								
Management / 2.4								
Management / 2.5								
Management / 2.6								
Management / 2.7								
Management / 2.8								
Management / 2.9								
Management / 3.1								
Management / 3.2								
Management / 3.3								

Health & Safety / 6.6									
Health & Safety / 7.1									
Health & Safety / 7.2									
Governance / 1.1									
Governance / 1.2									
Governance / 2.1									
Governance / 2.2									
Governance / 3.1									
Governance / 3.2									
Governance / 4.1									
Governance / 5.1									
Governance / 6.1									
Governance / 6.2									
Governance / 6.3									
Labor & Human Rights / 1.1									
Labor & Human Rights / 1.2									
Labor & Human Rights / 1.3									
Labor & Human Rights / 1.4									
Labor & Human Rights / 1.5									
Labor & Human Rights / 1.6									
Labor & Human Rights / 2.1									
Labor & Human Rights / 2.2									
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Labor & Human Rights / 2.4									
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Labor & Human Rights / 4.6									
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Labor & Human Rights / 5.1									
Labor & Human Rights / 5.2									
Labor & Human Rights / 5.3									
Labor & Human Rights / 5.4									
Labor & Human Rights / 6.1									
Labor & Human Rights / 6.2									
Labor & Human Rights / 6.3									
Labor & Human Rights / 7.1									

<i>Labor & Human Rights / 7.2</i>								
<i>Labor & Human Rights / 8.1</i>								
<i>Labor & Human Rights / 8.2</i>								
<i>Labor & Human Rights / 8.3</i>								

Management Assessment

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1. Management in Charge

A senior management representative has been appointed in the company, with active responsibility for ensuring that standards are met. This person makes appropriate inspections, draws up plans for corrective action, ensures implementation, and takes preventive measures.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
1.1	Is top management accountable for environmental management?	yes			Management reports that legal counsel has been retained, and consultants are used to ensure compliance. Director of Quality, Safety	Methods to understand if management takes responsibility are not always straightforward. Examples of how this is displayed can include: - Does the Plant or Site Manager sign off/approve all important EHS procedures? - Is the Plant or Site Manager present during the audit and appears to understand basic EHS principles? (If the audit is conducted solely with the EHS person on-site that can indicate the idea that EHS is only the job of safety professionals when it should be everyone's job.) - Is the Plant or Site Manager active in answering questions during the audit which displays management's understanding of the site programs and that they likely have active involvement in EHS issues?
1.2	Is top management accountable for safety, health and security management?	yes			Management reports that legal counsel has been retained, and consultants are used to ensure compliance. Director of Quality, Safety	
1.3	Is top management accountable for labor conditions and employee relations?	yes			Labor - Management reports that legal counsel has been retained, and consultants are used to ensure compliance. Human Resources	
1.4	Is top management accountable for anti-corruption and legal compliance?	yes			Management reports that legal counsel has been retained, and consultants are used to ensure compliance. Plant Manager affirms	
1.5	Is top management accountable for quality management?	yes			Management reports that legal counsel has been retained, and consultants are used to ensure compliance. Director of Quality, Safety	

2. Policy & Continual Improvement

It is required from the company that it should set out in writing its principles for the individual sustainability parameters; this is comparable to the Code of Conduct. The creation of such a document leads to greater awareness in particular in company management, and facilitates communication of the issue of responsibility to employees and other stakeholders.

Company's principles set out in writing have to be expressively addressed to the employees and have to be posted in the location(s) together with the standard Code of Conduct visible to all employees in relevant languages. It's also possible to attach them to each employee's contract accordingly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
2.1	Does the company have a management commitment and policy, which is communicated to all employees, regarding environmental management?	yes			Reviewed employee manual, Federal and State mandatory postings, and policies/procedures; all appear adequate and communicated to employees.	
2.2	Does the company have a management commitment and policy, which is communicated to all employees, regarding safety, health and security management?	yes			Reviewed employee manual, Federal and State mandatory postings, and policies/procedures; all appear adequate and communicated to employees.	Does the situation at the plant show that the management policy regarding EHS is a living document (practice what is written) or does it appear that the document was created just to satisfy audits and certification requirements?
2.3	Does the company have a management commitment and policy, which is communicated to all employees, regarding labor conditions and employee relations?	yes			Reviewed employee manual, Federal and State mandatory postings, and policies/procedures; all appear adequate and communicated to employees.	Findings in this area should be classified as minor findings. However, a finding may indicate missing commitment and communication of its principles for sustainability matters and may lead to higher auditor scrutiny in audit activities.
2.4	Does the company have a management commitment and policy, which is communicated to all employees, regarding anti-corruption and compliance to law?	yes			Reviewed employee manual, Federal and State mandatory postings, and policies/procedures; all appear adequate and communicated to employees.	
2.5	Does the company have a management commitment and policy, which is communicated to all employees, regarding quality management?	yes			Reviewed employee manual, Quality manual, Lean Manufacturing boards, and policies/procedures; all appear adequate and communicated to employees.	
2.6	Has the company defined any targets to improve and monitor the performance in environmental management?	n/a			Current production process does not generate water waste, or landfill waste, therefore no metrics to analyze. All production waste is recycled.	Are the established targets suitable to help improve EHS on the site? Auditor should explain what type of targets are in place. Example: Simply stating the target is no lost time injuries is not sufficient alone. There should also be controllable and meaningful targets that each employee can meet to help achieve the overall target.
2.7	Has the company defined any targets to improve and monitor the performance in safety, health, and security management?	yes			KPI's are developed and posted throughout the facility, to decrease waste and decrease recordable incidents.	
2.8	Has the company defined any targets to improve and monitor the performance in labor conditions and employee relations?	yes			Facility is compliant with all federal and state regulation, retained legal ensures performance is monitored and improved.	The company is expected to define targets to evaluate and to improve their performance in labor conditions and employee relations, otherwise this will lead to a minor finding.
2.9	Has the company defined any targets to improve and monitor the performance in quality management?	yes			Outlined in the quality manual, included are initiatives to improve quality.	If there is no grievance mechanism at all this will lead to a major finding.

3. Training

Establishment of appropriate training measures allows managers and employees to gain an appropriate level of knowledge and understanding of code of conduct, internal policies, the applicable laws and regulations and generally recognized standards. Especially for new employees working with chemicals or complex machineries it is important to receive a job-specific workplace training to get familiar with the processes and the risk.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
3.1	Does the company provide training to all employees regarding environmental management?	yes			Reviewed Employee Verification - New Hire Checklist form and procedures, includes elements of training of environmental management. Employee handbook includes emergency procedures, spill procedures.	The auditor must check if training documentation exists for all relevant topics. If the employee engages in a task that carries any hazard then there should be training detailed enough to ensure safe work occurs. In addition there should be some form of initial training before starting a task, hands on mentorship training for more difficult tasks, and ongoing refresher training at some frequency established by the site for critical tasks.
3.2	Does the company provide training to all employees regarding safety, health, and security management?	yes			New Hire orientation and employee manual were reviewed and are adequate. Twice weekly trainings occur at the beginning of both shifts and cover wide range of H&S topics.	Need for and adequacy of training depends on the risk the employee is involved in. For example, if the contractor was asked to conduct a task with high risk area (e.g. line opening) without training, it should be at least major.
3.3	Does the company provide training to all employees regarding labor conditions and employee relations?	yes			New Hire orientation and employee manual were reviewed and are adequate. Twice weekly trainings occur at the beginning of both shifts and cover wide range of labor compliance topics.	Also training on Health & Safety could be considered a major issue as opposed to a minor issue depending on what training is available. This has to be determined by the auditor and there needs to be good documentation by the auditor on what is in place to make this decision e.g. all training in place except for proper handling of ethylene oxide is a major problem.
3.4	Does the company provide training to all employees regarding quality management?	yes			New Hire orientation and employee manual were reviewed and are adequate. Twice weekly trainings occur at the beginning of both shifts and cover wide range of quality topics.	On the contrary, the site could be missing 10 training topics but if they are less hazardous issues then it is not major (thus the auditor must describe generally what is in place and specifically what is missing).
3.5	Does the company provide training to all employees regarding anti-corruption and compliance to law?	yes			New Hire orientation and employee manual were reviewed and are adequate. Employees are trained on ethics, no conflict of interest, anti-corruption and compliance to the laws	The provision of training to all employees regarding anti-corruption and compliance to law is expected from the company, otherwise this will lead to a minor finding.
3.6	Is there a systematic, job-specific onboarding training for new employees in place?	yes			New Hire orientation and employee manual were reviewed and are adequate.	A missing job-specific workplace training should lead to a minor finding or in case this puts/ can put the employee in a dangerous situation to a major finding. Especially for new employees working with chemicals or complex machineries, it is important to receive a job-specific workplace training to get familiar with the processes and the risk.

4. Business Partners

Contractors / third party workers need to be aware of the company's requirements with regard to sustainability. Therefore, the company should inform the management of the contractors / third party workers about these requirements and clearly state that management need to ensure contractors / third parties understand and comply with these requirements. As a best practice, the company should offer training to contractors / third party workers with regard to relevant environmental, social, and governance requirements. Contractors should be obliged to take part of such training and record their participation in a training attendance documentation.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
4.1	Are contractors/third party workers trained on the company's requirements in relation to environmental management, safety, health, and security management, quality management, labor conditions and employee relations and anti-corruption and compliance to law?	yes			Contractors are trained contractually, and through site orientation when coming onsite.	Depending on the type of work being done, contractors may need training as detailed as the site personnel. It depends on the risk the contractors involved in. For example, if the contractor was asked to conduct a task with high risk area like (e.g. line opening) without training, it should be at least major. Auditor must take a look at the type of work to see, what training is relevant and describe it accordingly. Depending on the type of work this could be minor or major.

<p>4.2 Does the company have a process or system in place in order to select and evaluate suppliers' adherence to business ethics, human rights, labor, health, safety and environmental standards?</p>	<p>yes</p>	<p>Suppliers of paper and inks are specifically selected based on participation in SFI. All suppliers must meet basic ethical, human rights, labor, health and safety, and environmental standards through contract.</p>	<p>The company is expected to have a system in place to evaluate the suppliers' and contractors' adherence to business ethics, human rights, labor health, safety and environmental standards otherwise this leads to a minor finding. A process should be in place at least to prevent misuse of people and cause reputation damage for a TFS member. A not existing process / system must lead to deeper investigations</p>
<p>4.3 Are performance monitored for carriers, supplier, distributors, contractors and third party providers related to environmental management, safety, health, and security management, labor conditions and employee relations, anti-corruption and compliance to law and quality management?</p>	<p>yes</p>	<p>Performance is monitored for suppliers, and discussed annually</p>	<p>A company should monitor the sustainability performance of their relevant business partners such as carriers, suppliers, distributors, contractors and third party providers. The monitoring should be risk-based including business partners with higher risk to meet requirements with regard to social, environmental, or anti-corruption standards. The Company can meet these requirements by various measures, e.g. by regular inspections by competent employees of its own, implementation of an internal monitoring system with training and checks, inspection of subcontractors by external experts.</p>
<p>4.4 Does the company communicate the company policy on corruption / bribery / fraud externally to business partners? How?</p>	<p>yes</p>	<p>Policies are communicated through contracts, and face to face meeting.</p>	<p>The company should communicate the policy as part of its contractual relationship with business partners. Communication may take different ways. At a minimum purchasers should communicate the policy and hand-over a copy of the policy document to the supplier representative as part of contractual discussions. As a best practice, documentation of this communication should be available to third party auditors, e.g. via reference on purchase order, via a reference in supplier contract, via supplier code of conduct communicated to suppliers, or via a signed copy of the policy by suppliers. Not having communicated a policy to business partners should be classified as minor finding unless the auditor identifies corrupt or fraudulent behavior or activities in the company's business partner relationships during the audit. If so, please explain and report as major finding.</p>
<p>4.5 Is there a process in place to identify and inform the customer about any non-conformances in relation to shipments/products?</p>	<p>yes</p>	<p>Lot number on each product allows for complete traceability from the source to the machine and operator performing the work, to the transportation provider used. Traceability</p>	<p>Non-conformance procedure: Describes the methods of identification, recording and addressing any non-conformance.</p>

Environment Assessment

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1. Environmental Compliance

Compliance with environmental legislation is a key requirement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
1.1	In case the site has been accused or prosecuted in the past with regard to environmental regulation, has the site taken actions to respond to and stop the irregular practices?	n/a			Reportedly no accusations or prosecution has occurred. No permits are required based on no hazardous chemical waste.	Compliance with environmental regulation could be a critical situation or also could be a minor issue depending on the type of violations found. There are varying degrees of violations and someone with knowledge of the regional regulations should be able to explain this in the report. The auditor shall describe the situation. Describe the type of violations and corrective actions with a statement indicating they believe the corrections are sustainable to prevent future problems or that they are not sustainable solutions.
1.2	Is the site compliant with environmental regulation in the areas of waste, emissions, water and waste water, energy, land use and biodiversity, soil and groundwater?	yes			Permits are not required.	If the answer is "yes", the auditor shall check the corresponding corrective/preventive measures taken. Depending on the verification of the effectiveness of the corrective/preventive actions, the auditor gives his/her rating.
1.3	Has the site an HSE regulatory watch system in place?	n/a			Reportedly no accusations or prosecution has occurred.	If the site has been prosecuted in the past with regard to environmental regulation this may lead to a minor finding. If no reasonable corrective action has been taken by the supplier or if there are any violations of environmental regulations it may lead to a major or critical finding in 1.2. Critical findings are issues of immediate concern, like situations of immediate danger for the audit team, employees, contractors, environment or neighborhood.

2. Waste

Waste and emission systems ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emission and wastewater discharges. Any of these activities which have the potential to adversely impact human or environmental health are appropriately managed, measured, controlled and treated prior to release of any substance into environment. The company is expected to have systems in place to prevent or mitigate accidental spills and releases into the environment.

No.	Criteria and Guidance	Audit results		Explanation of audit results	Note to the auditor
		Answer	Type		
2.1	Does the company ensure proper handling of waste resulting from its activities?	yes		NO hazardous waste is generated at this site. Paper is recycled, and inks and cleaners are maintained in quantities of less than 5 gallons, and are all specifically selected to be food grade and can be disposed in the municipal waste water system.	<p>Examples include</p> <ul style="list-style-type: none"> - procedures established and followed for waste handling and disposal - separation of hazardous waste from non-hazardous waste streams - awareness of changes in applicable laws - measures, records or reports on the waste produced by the site <p>There are some places where waste disposal is not organized by public authorities. This may lead to dumping of waste material or even hazardous waste in the environment and the auditor shall take special attention.</p> <p>The auditor must also take a look at the surroundings of the company. Regardless of national regulations, it is not tolerable for the Company to dump waste in natural environments, or to burn it on open fires. In such cases, the company must always be marked down.</p> <p>If the audit recognizes or identifies serious risk of dumping of hazardous waste, it leads to a major finding.</p>
2.2	Are legally required waste documents prepared properly and submitted to the waste disposal facility with each shipment? For example, is generated hazardous waste appropriately labelled according to the Globally Harmonized System (GHS), respectively according to local regulation?	yes		NO hazardous waste is generated at this site. Paper is recycled, and inks and cleaners are maintained in quantities of less than 5 gallons, and are all specifically selected to be food grade and can be disposed in the municipal waste water system.	<p>This question addresses the documentation and labelling of waste shipments. Improper documentation may lead to dumping of waste material in the environment (see question 2.1 above).</p> <p>If it is not required by law then the site does not have to have the GHS system in place. However the auditor should make sure some form of labeling and documentation system is in place which properly identifies and classifies materials (especially for hazardous materials). An explanation is warranted by the auditor in notes if the system does not follow some regulatory system. Depending on the type of waste improper waste labelling and documentation leads to a minor finding (waste) or major finding (hazardous waste).</p> <p>Please note: This question relates to environmental concerns from wrong or missing labels of (hazardous) waste. For the Health and Safety risk, please refer to question H&S 1.4.</p>
2.3	Are containers stored in adequate condition (not rusted or damaged) to ensure leaks do not occur?	yes		All containers were observed adequate to prevent leaks, and are maintained in quantities	Chemicals which seep into the soil may pollute the ground water. Containers must therefore be stored, disposed of properly, regardless of the national legal regulations and the state disposal facilities available otherwise this leads to a major finding.
2.4	Is (hazardous) waste stored in areas with secondary containment to prevent contamination of the environment if a leak occurs?	yes		All containers were observed adequate to prevent leaks, and are maintained in quantities of less than 5 gallons. No waste generated or	
2.5	Is the final destination of the waste a legally approved waste disposal facility?	yes		All containers were observed adequate to prevent leaks, and are maintained in quantities of less than 5 gallons. No waste generated or stored onsite	<p>It is expected to make sure the waste disposal facility used by the company is legally approved. It is expected that the company does not dispose its waste illegally otherwise this leads to a critical finding and has to be reported to TFS immediately.</p> <p>Depending on the type of waste it leads to a major finding for non hazardous waste and to a critical finding for hazardous waste.</p>
2.6	Does the site use external waste contractors? If yes, are these contractors regularly audited/ assessed?	yes		Waste contractor for general office waste provided by municipality. Recycling of paper waste is completed by Wilmington Paper	<p>Not applicable if the site has its own trained staff with legal approvals to manage and treat their own waste. Otherwise it is expected that the site only collaborates with regularly audited/assessed external waster contractors. It is important that the site has the waste handlers trained and qualified regardless of being internal or external.</p> <p>Depending on the type of chemical this could be minor or major. E.g. toxic material not labeled appropriately should be major. If the external contractors are qualified by the government or some other third party and in consequence do not have to be audited/assessed by the supplier this leads to a minor finding.</p>

3. Water and Wastewater

The company is expected to establish and follow procedures for water and wastewater management (especially water consumption and wastewater management and treatment).

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
3.1	Does the company have any procedures established and followed for water management?	yes			Municipality tests the waste water two times per year, and continuous to verify that waste	The company is expected to have a procedure established and followed for water management otherwise this leads to a minor or major finding.
3.2	Are there any protection concepts for wastewater effluents in places?	n/a			Municipality tests the waste water two times per year, and continuous to verify that waste produced at El Dorado does not require treatment.	The protection concept in its best practice form would include a summary of all wastewater streams and an assessment of the possibility for these streams to become contaminated and escape to the environment (worst case scenario conditions included) otherwise this leads to a minor finding.
3.3	Does the site ensure that all wastewater (process water, storm water, cooling water, sewer water, secondary containment rain water, steam condensate, etc.) does not contaminate the environment?	n/a			Waste water is monitored and controlled.	In general, the auditor should describe the situation as best as possible in a summary so it is easy to interpret the situation and what may be missing. Prevention methods should also be documented once risks are identified. As long as the auditor review does not find gaps in wastewater protection, documentation in a formalized document is not required. If gaps are found, then a documented assessment is required but if no gaps are found then this would be a nice to have.
3.4	Is the secondary containment adequate to protect all sources from leakages from contaminating the environment?	yes			No waste observed, all raw materials are ordered in quantities of less than 5 gallons.	In the event of chemical leakage or fire fighting, the contaminated effluent must be collected for treatment. Any discharge into surface or ground water must be avoided. If the company cannot ensure prevention of any contamination this leads to a major finding.
3.5	Does the company have any targets in place and monitored to reduce water consumption?	n/a			Municipality tests the waste water two times per year, and continuous to verify that waste produced at El Dorado does not require	The company shall have targets in place to monitor its reduction of water consumption otherwise this leads to a minor finding.

4. Soil and Groundwater

It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If there is present contamination it is not an immediate issue as long as the site has management plans in place to mitigate or reduce impact. A full explanation is needed from the auditor if there is a contamination issue on a site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
4.1	Has the company identified significant potential or known impact on soil and groundwater from current activities/operations (e.g. groundwater contamination)?	yes			No permits are required based on low risk waste generated at the site.	It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If runoff occurs, the site's management needs to have plans to mitigate or to reduce impact. Any major hazardous impact on soil and groundwater from current activities / operations will lead to a major finding. This could also lead to a critical finding when for example toxic substances contaminate groundwater in areas where it is used as drinking water.
4.2	Does the company have installations and procedures in place to reduce impacts?	yes			No permits are required based on low risk waste generated at the site.	

5. Emissions to Air and Climate Change

The company is expected to establish and follow procedures for emission prevention, measurement, and control. The company is expected to use natural resources in an economical way. Negative impacts on the environment and climate shall be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility process, material substitution, conservation, recycling and material reutilization.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
5.1	Does the company have any procedures established and followed for emission measurement?	yes			County has assessed the air emissions and determined that no permit is required, no monitoring or abatement equipment is required.	Common error with emissions testing found during supplier audits was that the emission testing conducted yearly was not always from the stack. Sometimes the site made area samples from a spot in the plant. This is okay for occupational safety issues but not environmental emissions estimates. The company has to establish and follow procedures for emission measurement <u>elsewise this leads to a major finding.</u>
5.2	Are data, records or reports on the emissions emitted available?	n/a			County has assessed the air emissions and determined that no permit is required, no monitoring or abatement equipment is required.	Normally a site will take air measurements only on an annual basis to determine estimated annual emissions. In this case it is very important to have efficiency checks on control equipment on a regular basis (sometimes daily or even per shift if critical materials). Typical inclusion in this program are visual emissions checks, pH of scrubber water, pressure drop of filters and scrubbers, temperature for incinerators, etc. Auditor discretion needs to be used to determine if it is adequate and notes should be written on what is in place and if sufficient. If there are no data, records or reports on emissions available at all this leads to a major finding.
5.3	Have the company emission sources and types of emissions to air and fugitive emissions been identified?	n/a			County has assessed the air emissions and determined that no permit is required, no monitoring or abatement equipment is required.	Emission control devices should ensure emissions are prevented and/or controlled in type and amounts to protect the environment and neighborhoods. The efficiency of these control devices must be checked routinely to ensure they are always working properly e.g. daily checks of pressure drop on scrubbers and dust collectors, pH test on scrubbers where applicable, daily visible emissions checks. If missing or inadequate devices lead to a major finding. However, if no or inadequate pollution prevention devices exist and lead to e.g. emissions of toxic or large quantities of hazardous substances, this may cause a critical or dangerous situation for employees, neighborhoods, or the environment. In such circumstances <u>this leads to a critical finding.</u>
5.4	Are there adequate pollution prevention devices (e.g. filters, scrubbers) in place? If yes, are these pollution prevention devices maintained in proper condition?	yes			County has assessed the air emissions and determined that no permit is required, no monitoring or abatement equipment is required.	The company shall have an emission testing in place to monitor compliance with the legal limit values. If emissions testing reveals the site is not in compliance with the legal limit values established, please review your judgment of environmental compliance in question Environment 1.2. The company is expected to define targets to monitor and where possible reduce emissions. If this is not the case this leads to a minor finding.
5.5	Does the company have in place emissions testing to monitor targets and is the site in compliance with the legal limit values established? Are there any reduction targets in place and monitored?	n/a			County has assessed the air emissions and determined that no permit is required, no monitoring or abatement equipment is required.	It is expected that GHGs associated with site processes/activities, fuel use for on-site or off-site transportations, agricultural activities etc. are monitored/routinely assessed. It is also expected that on-site equipment containing ODS is assessed regularly and included in an inventory.
5.6	Does the site monitor/routinely assess emissions of GHGs associated with site processes/activities, fuel use for on site or off site transportation, agricultural activities etc.?	n/a			Due to no permitting requirements, GHG are determined to be diminimus and are not monitored, but should the operations change, <u>facility would assess.</u>	HVAC equipment is inventoried and monitored, and determined to be CFC safe
5.7	Does the site have an inventory of equipment on site that contains ozone depleting substances (ODSs) (e.g. air-conditioning equipment that contains refrigerants)?	yes				It is suggested to rate this criterion as minor if the site does not measure or does not take action on GHG or ODS, since there are some topics more critical than this one for most of the suppliers.

6. Energy

The company is expected to establish and follow procedures for energy consumption measurement and improvement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
6.1	Does the company have a program in place to measure and to improve energy consumption by the company?	n/a			Energy usage is monitored and efforts have been implemented to reduce waste (Achieved 15% energy reduction over past 5 years)	For example by - measuring and monitoring energy consumption - energy savings or recovery - purchase of energy from renewable sources - regular site energy audits Not having a program in place to measure and to improve the use of energy consumption does not automatically mean a breach with rules and legislations and therefore should lead to a minor finding. However, in some rare case, if the auditor discovers that the site has significant impact with the energy consumption, it could be a major finding.

7. Land Use and Biodiversity

The company is expected to assess the potential impacts of the site operations on designated protected areas or the ecosystem.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
7.1	Has the company assessed the potential impacts of the site operations on designated protected areas or the ecosystem (plants, animals and microorganisms)?	yes			Facility is compliant with local regulations and works to reduce eco system impact	To evaluate the impact of company's production on the immediate environment, companies can either run their own measurement, or rely on external data collections. Not having assessed impacts on designated protected areas or ecosystem should lead to a minor finding. If the auditor obtains knowledge about protected areas impacted by site operations or if the supplier has a significant impact on biodiversity, this should be reported as major finding.

Health & Safety Assessment

Legend:

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1. Product Safety

"Product safety" refers to the physical health and safety of workers, employees, end users with regards to final or intermediate products. It is designed to reduce the number of injuries and fatalities caused by non-food products. Material safety data sheets containing all necessary safety-relevant information should be made available by the company for all dangerous substances and are provided to the customers and other parties in case of a legitimate need.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
1.1	Are the components of all products registered according to the destination country's legal requirements?	n/a			Facility receives paper and ink, then creates custom bags, packages, stores and ships. No registrations required.	To protect people from hazardous chemicals in products, the European Commission proposed a new regulatory framework called REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) in 2003. Under REACH, companies that produce and import chemicals will have to assess the risks arising from their use and take any necessary risk management measures. For Europe and suppliers importing to Europe, materials of which amounts > 1 ton/legal entity are produced, have to be pre-registered as a minimum. If the auditor discovers that some products are not registered, this should lead to a major finding. Same with TSCA (Toxic Substances Control Act) for the US.
1.2	Does the company have an updated and complete Material Safety Data Sheet (MSDS) available for all hazardous materials used or stored on-site (raw materials, intermediates, products)?	yes			SDS system is maintained online and is available for all employees on a dedicated desk top computer.	The MSDS has to be stored within the respective production plant in local language. Hazardous chemicals on-site without MSDS could lead to a lack of information for e.g. fire fighters. If there is no MSDS in place, but a good labeling and trained employees, then this will lead to a minor finding. But if the employees have no idea about hazardous chemicals at all and MSDS is a legal requirement, then this should lead to a major finding.
1.3	Is there a valid method in place (procedure) to ensure proper MSDSs are obtained or created for new raw materials, intermediates and products?	yes			Before any new chemical is introduced, requires approval of management and assurance that SDS has been reviewed and risk have been included in the production process.	Discovering some hazardous material without any MSDS or without any system to ensure proper MSDS is in place will lead to a major finding.
1.4	Does the company ensure proper labeling (Globally Harmonized System (GHS) label or Dangerous Goods (DG) labels as legally required) of all hazardous materials/dangerous goods, substances, raw materials, and final products handled?	yes			All liquids are labeled in accordance with GHS requirements, and are maintained in quantities of less than 5 gallons.	If there is no proper labeling in place this shall lead to a minor finding.

2. Transportation Safety

The company is expected to establish procedures or checklists for loading and unloading operations as well as for filling and discharging operations for defined items.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
2.1	Are the following items part of the procedure or checklists for loading and unloading operations: - obvious technical deficiencies of the vehicle - vehicles secured against moving - segregation rules - contamination of packaging or transport units - proper loading and load securing - maximum gross vehicle weight	yes			Forklift procedures were reviewed and appear complete. Shipping / Receiving dock transportation procedures and training provided to the workers was reviewed, and appears complete.	Procedure is key, a checklist is nice to have. As proven document a checklist is of course preferred, but the min. requirement is a procedure. In addition to a procedure, training for those involved in shipping and receiving is

<p>Are the following items part of the procedure or checklists for filling and discharging operations:</p> <ul style="list-style-type: none"> - obvious technical deficiencies of the vehicle - vehicles secured against moving - tank cleaned <p>2.2</p> <ul style="list-style-type: none"> - filling or discharging of the correct tank - confusion of substances excluded - discharge and bottom valves tight - fill levels of road tankers and rail tank cars - maximum gross vehicle weight 	<p>yes</p>		<p>Reviewed quality manual, employee manual, and health and safety procedures.</p>	<p>In addition to a procedure, training for those involved in shipping and receiving is also important. The company should have a procedure in place to ensure transportation safety. If this is not the case this leads to a major finding. If the checklist is missing, but the procedure and the trainings are in place, this shall lead to a minor finding.</p>
<p>2.3</p> <p>Is there a system in place to ensure that the shipping documents are distributed correctly and contain all necessary information on hazardous goods?</p>	<p>yes</p>		<p>No hazardous goods are shipped.</p>	<p>Proper shipping classification is important, especially for hazardous goods. Therefore, it needs to be a method in place to ensure this. This could include well trained people who prepare the documents or a database system which produces consistent and correct information otherwise this leads to a major finding.</p>

3. Process Safety and Storage

The company is expected to have safety instructions in place for managing and maintaining all production processes in accordance with the applicable safety standards. The company should address product-related issues and their potential impact during all stages of the production process. Preventive maintenance is a schedule of planned maintenance actions aimed at the prevention of breakdowns and failures. The primary goal of preventive maintenance is to prevent the failure of equipment before it actually occurs. It is designed to preserve and enhance equipment reliability by replacing worn components before they actually fail. Preventive maintenance activities include equipment checks, partial or complete overhauls at specified periods, oil changes, lubrication and so on.

No.	Criteria and Guidance	Audit results		Explanation of audit results	Note to the auditor
		Answer	Expected Type		
3.1	Does the plant have Pipe and Instrumentation Diagrams/Documentation (P&IDs) for each facility or process? Does a spot check in the field show equipment is properly included?	yes		Required diagrams are available.	If the company has no Pipe and Instrumentation Diagrams for each facility and processes is in place this leads to a major finding.
3.2	Is the proper material of construction for pipes, gaskets, valves, pumps, tanks and other equipment ensured for equipment that will contact? Is there a valid method to determine the adequacy or correctness of equipment specifications e.g. pipe service index or other list of appropriate materials for each chemical used on site?	yes		Proper materials appear to be used. Preventive maintenance schedule includes a review of equipment and support infrastructure.	If the material is not in proper condition, this leads to a high risk of safety. If it leads to a situation of immediate danger to employees or the neighborhood, then it should be classified as a critical finding. If there is no system in place to assess the specification of the equipment and this leads to an event of risk for people or the environment, this leads to a major finding.
3.3	Have safety reviews been performed on all processes? Additionally have HAZOPS or What-Ifs been performed for more critical processes?	yes		Job safety analysis is performed for all processes, at the beginning of each installation. Twice weekly safety meetings include review of incidents and observations from the evaluations. Last month safety team evaluated E-STOP functions.	- Do safety reviews appropriately evaluate all potential risks for different failures e.g. human error, utility outages, etc. - Are worst case scenarios considered? - Have corrective actions been identified to reduce risks and have they been implemented? Missing safety reviews lead to a minor or major finding. They only lead to a major finding if they result in a critical process (process presents very significant risks and major aspects of process safety are not considered). Missing safety reviews also result in a major finding if corrective actions identified from safety reviews have not been implemented.
3.4	Is all important equipment included in the maintenance plan e.g. tanks, pressure relief devices, pipes, hoses, forklifts, interlocks, level indicators, safety critical weigh scales?	yes		PM Scheduled reviewed.	- Is the plan followed, results documented, and necessary repairs performed? - Does the site have a method to review trends (fault analysis) to recognize equipment that repeatedly fails an inspection? - Does a visual observation of equipment indicate that the inspection program generally identifies and removes deficiencies or poor conditions? To ensure process safety, all equipment has to be maintained. If this is not the case, this leads to a minor finding. It only leads to a major finding if it is related to critical equipment.
3.5	Have worst case scenarios for building pressure been identified e.g. overfeeding reactant, filling too fast, overheating vessel, fire in the plant, etc.?	n/a		Slips trips and falls are most frequent incident reported. Propane tanks and pressure tanks are reviewed. Distillation process high points.	Worst case scenarios for buildings have to be identified to minimize the risk. If these are not defined, this leads to a major finding.
3.6	Have calculations been performed to ensure relief valves are of the proper size and design to protect from these worst case over pressure scenarios? Does the installation of these valves appear to meet the proper calculations performed (Visual observation)?	n/a		Pressure valves have been properly installed and properly tested.	Missing calculations could lead to worst case over pressure scenarios and therefore lead to a major finding. If it appears that calculations could be incorrect for a strong exothermic process then it is critical.
3.7	Do the relief vents relieve to a safe location e.g. do not rain down on employees or neighbors and hazardous gas clouds could not spread to neighbors e.g. routed to scrubbers, incinerators, catch tanks, unpopulated areas, etc.?	n/a		Pressure valves have been properly installed and properly tested.	Relief vents and hazardous gas clouds are a high risk for the employees and therefore if the company does not ensure the relieve to a safe location this leads to a major finding.
3.8	In review of question 3.1 to 3.7, is the overall management system of process safety adequate to prevent catastrophic events?	n/a		Safety process appears effective.	This question is to evaluate the overall process safety approach of the company. For examples missing maintenances of question 3.4 could lead to critical finding if the pressure reactors, relief devices, interlocks, or other equipment by failing could cause a catastrophic event, which cannot be prevented through other processes or systems.

<p>3.9 Have areas where flammables are stored or used been classified properly (Ex classification)?</p>	<p>yes</p>	<p>Minimal use of flammables, all stored in flammable cabinets and in quantities under 5 gallons.</p>	<p>Is it ensured that no spark producing equipment is used without a proper hot work permit and atmospheric testing e.g. drills, grinders, welders, non Ex forklifts, lamps, hammers, wrenches, etc.? - Are all permanent electric fixtures e.g. lights, electrical outlets, etc. installed in these Ex areas properly rated for explosion protection and in good condition? - Is proper grounding / earthing of fixed and temporary equipment ensured and in good condition? - Are all containers, tanks, and equipment used to store or transfer flammable materials properly grounded to safely release static? For hazardous installations the company should conduct specific risk analysis and implement measures that prevent the occurrence of incidents such as chemical releases and /or explosions.</p> <p>The classification of areas where flammables are stored or used is important to minimize the risk for any worker. Any violation leads to a major finding.</p>
<p>3.10 Does the company properly store, use or handle hazardous or potentially hazardous substances?</p>	<p>yes</p>	<p>Minimal use of flammables, all stored in flammable cabinets and in quantities under 5 gallons.</p>	<p>Examples include - required licenses or permits obtained to store or use hazardous chemicals - systems or procedures in place to manage hazardous substances - containers for hazardous materials or waste are adequately labeled and separated</p> <p>This section has 3 focus areas which include</p> <ol style="list-style-type: none"> 1. preventing leaks to begin with 2. if leaks occur, ensuring that incompatible materials do not mix and create an unstable situation 3. ensuring leaks do not cause catastrophic issues from toxic materials or explosive atmospheres e.g. flammable material leaking into a sewer line or even retention area that is not electrically classified and causing explosions. <p>Hazardous substances need a special treatment and therefore any negligence leads to a major finding.</p>
<p>3.11 Do bulk storage tanks have level indicators, independent overflow devices or other methods to prevent overflow?</p>	<p>n/a</p>	<p>Facility does not have bulk storage tank capability.</p>	<p>- Does the system appear to provide adequate protection? - Is tank leakage retention designed in a way to prevent incompatible materials from mixing together, e.g. divided retention basin? - If leaks do occur, does the containment system prevent transport of hazardous material to an area which creates an unsafe situation e.g. flammable material going through an open sewer line to a retention basin could provide a flammable atmosphere in areas not rated for explosion protection. Toxic materials running through an unsealed sewer line could release toxic vapors in populated areas.</p> <p>If bulk storage tanks have no level indicators, independent overflow devices or other methods to prevent overflow, this leads to a major finding.</p>
<p>3.12 Is there a system or procedure in place to ensure incompatible materials are segregated during storage (container storage)? Does it also include a method to prevent leakages of 2 incompatible materials from coming in contact?</p>	<p>n/a</p>	<p>Facility does not have bulk storage tank capability.</p>	<p>Chemicals must be stored in such a way that they do not leak into the ground, and cannot pollute the groundwater. The safest form of protection is collecting basins. If this is not the case this leads to a major finding.</p>

4. Occupational Health and Safety

The company is expected to protect its employees appropriately from any chemical, biological and physical hazards and physically demanding tasks in the workplace as well as from risks associated with any infrastructures used by the employees. The company provides appropriate controls, safe work procedures, preventative maintenance, and necessary technical and organizational protective measures to mitigate health and safety risks in the workplace. The company provides appropriate personal protective equipment to its personnel.

The auditor must establish to what extent deficiencies in health and safety could result in substantial danger for employees. If the auditor finds a deficiency, he must estimate its seriousness and potential effects. For example, the absence of finger guards on single sewing machine may still be tolerable for the purposes of this question. However, the absence of a drive belt cover is a substantial danger, because whole limbs may be torn off in the event of physical contact

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
4.1	Have risk assessments been performed on all tasks to identify all occupational health hazards e.g. ergonomics, falls, chemical exposure potential, heat stress, cuts, etc.? Are the identified risks/hazards removed by initiating corrective actions? Did the corrective action include technical measures to reduce hazards as opposed to just focusing on PPE which should be last resort?	yes			Hazardous analysis are completed annually by the safety committee, and results are reviewed and discussed in the twice weekly safety meetings.	Auditor should check in the field if technical measures are used such as ventilation, enclosures, closed systems. There must be some form of risk assessment on all tasks performed to review all health and safety hazards e.g. chemical exposure, falling from high, ergonomics, electricity, etc. If no risk assessment is implemented in a plant with risk profile, this should be classified as major finding. Also if major risks are not identified this may be a major finding. <u>Otherwise this is a minor finding.</u>
4.2	Where risks remain for personal safety, is proper Personal Protective Equipment (PPE) made available for its employees based on the type of work being done? And does the physical inspection of the auditor reveal that employees are wearing the correct PPE?	yes			Personal protective equipment is provided as a precautionary function, not required based on the risks evident within the facility.	If personal protective equipment (PPE) is made available but not all risks are covered appropriately, this may lead to a minor finding. If major risks remain either because no or inappropriate PPE was made available or because employees do not wear proper PPE, this should be classified as a major finding.
4.3	Are exposure assessments conducted on all hazardous chemicals to ensure that personnel are not exposed to unsafe levels? Where levels are found to be above limits of good international standard, does the site try to install technical (engineering) methods to reduce exposure? At a minimum do employees wear proper respirators?	yes			No chemical use evident, and no need for exposure evaluations.	Does the facility look at exposure limits for good international practices or just local legislation? In some countries like China chemicals that are not considered hazardous locally are highly hazardous by GHS standards. Also note to the auditor that they should be doing short task sampling as well as 8 hour personal samples on the operator. As this could lead to serious health problems this leads to a major finding.
4.4	Are noise exposure assessments conducted to verify safe levels (<85dBa)? Where noise levels are found above 85 dBa is hearing protection worn?	yes			Noise assessment has been completed, and noise level is below 85 dBa, however, for precaution hearing protection is provided and <u>required while on the work floor.</u>	Depending on e.g. time of exposure that could be classified and number of employees working in this area, this is classified as minor or major. It depends on the severity of the noise and the protections in place. If the noise level is a significant factor for the site, it should be major.
4.5	Are there valid procedures for all operations, tasks or use of equipment on-site detailing the safety precautions?	yes			Safety precautions have been evaluated and engineering controls installed where possible. <u>Training and personal protective equipment has been provided to further the controls.</u>	Auditor shall do a spot check of procedures based on the work and activity done. This criterion can be classified as minor as far as warning signs within the facility are installed.
4.6	Are occupational health check ups performed on employees by a physician? Do they include specific testing for the specific jobs conducted or chemicals handled, e.g. pulmonary function and spirometer test for respirator users?	n/a			Annual hearing test is performed and evaluated.	The auditor must establish to what extent deficiencies in health could result in substantial danger for employees. If the auditor finds a deficiency, he must estimate its seriousness and potential effects. Depending on working environment, it can be either minor or major if the hazard from chemical shows significant impact and the health check ups have not been done. It is a minor finding if check ups are missing in general at plants with non-major health risks.

<p>4.7 Are safety showers and eye washes installed in sufficient locations to allow easy and direct access from work stations involving hazardous chemical handling (especially corrosives and skin toxins)?</p>	<p>yes</p>	<p>minor</p>	<p>Safety showers and eye washes are located throughout the facility and are inspected/tested monthly.</p>	<p>Depending on working environment it can be either minor or major.</p>
<p>4.8 Are proper hygiene practices observed (i.e. no eating, drinking, smoking in areas where chemicals may be present, storage of clean personal clothes and work clothes is separated, proper cleaning of work clothes to prevent taking contamination home)?</p>	<p>yes</p>		<p>Proper hygiene practices were observed.</p>	<p>Depending on working environment it can be either minor or major.</p>
<p>4.9 Are containers labeled with chemical name and hazard to warn employees of the hazardous contents?</p>	<p>yes</p>		<p>All containers are properly labeled, properly stored and only maintained in quantities under 5 gallons.</p>	<p>Depending on working environment, it can be either minor or major. For example, it could be major if the employees do not know what substance they are using (especially if very hazardous).</p>
<p>4.10 Is there a work permit system defined and followed for - confined space entry - hot work - elevated work - groundbreaking - high voltage</p>	<p>yes</p>		<p>No confined spaces within the facility. Hot work permits are required, procedures were reviewed, and include required elements as developed by FM Global. LOTO procedure reviewed. Scissor lift platform - operators are trained on proper safety systems.</p>	<p>Depending on working environment, it can be either minor or major. For example, it could be major if the employees do not know what substance they are using (especially if very hazardous).</p> <p>Some of the most critical items to look for on a permit: 1. Description of the work, approvers and worker reviews. 2. Risk assessment identifying hazards and assigning protective measures used to mitigate the hazards. 3. 4 eyes principle used 4. Is all work completed by trained and qualified people? 5. Are electrical devices locked out so they cannot be activated? 6. Are all lines disconnected to prevent contamination during an entry? 7. Is there a test for oxygen and other contaminants prior to and during an entry? 8. Is an observer present during the whole confined space entry? 9. Is there a test for flammable atmosphere when hot work occurs in Ex zones (even for small spark producing tools and not just open flames)? 10. Is combustible material moved or shielded during hot work?</p> <p>If there is no permit system defined and followed, this leads to a major finding.</p>
<p>4.11 Does the company record all types of incidents?</p>	<p>yes</p>		<p>Incidents are recorded and filed away in the employee file, and includes the details of the investigation.</p>	<p>This should include: injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses. Note that having no incidents is usually not a good thing since it is virtually impossible to go without even near misses. The auditor must assess the culture of reporting and if incidents are not reported and investigated, then they lose the chance to correct issues before a major problem occurs. If the supplier is investigating nothing, then this leads to a major issue. At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected.</p>
<p>4.12 Does the site have a good root cause investigation system in place to ensure the true causes are identified for each incident?</p>	<p>yes</p>		<p>Two incidents recored in passt 12 months, and was a broken finger from lifting, and broken fingernails in a pinch point.</p>	<p>This should include: injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses. Note that having no incidents is usually not a good thing since it is virtually impossible to go without even near misses. The auditor must assess the culture of reporting and if incidents are not reported and investigated, then they lose the chance to correct issues before a major problem occurs. If the supplier is investigating nothing, then this leads to a major issue. At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected.</p>
<p>4.13 Are corrective actions identified for the incidents and are they implemented?</p>	<p>yes</p>		<p>Two incidents recored in passt 12 months, and was a broken finger from lifting, and broken fingernails in a pinch point.</p>	<p>This should include: injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses. Note that having no incidents is usually not a good thing since it is virtually impossible to go without even near misses. The auditor must assess the culture of reporting and if incidents are not reported and investigated, then they lose the chance to correct issues before a major problem occurs. If the supplier is investigating nothing, then this leads to a major issue. At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected.</p>
<p>4.14 Have any accidents been recorded in the last 12 months (including fatalities, lost time injuries, recordable injuries, near misses)?</p>	<p>yes</p>	<p>minor</p>	<p>OSHA 300 log is used to capture details, and posted annually on the employee communication board.</p>	<p>The auditor should check the corresponding corrective/preventive measures taken by the company. If the site does not record near miss, it leads to a minor finding.</p>

5. Emergency Preparedness

Evacuation plans are plans of the building, showing as a minimum the current standpoint, and the position of escape routes including emergency exits and fire extinguishers. In many production rooms, the doors can only be opened inwards. This may make it difficult or impossible to achieve rapid evacuation in an emergency. Under the requirements of the standard, the doors in rooms with more than 10 employees must be capable of opening outwards. If national legal regulations use the basis of a different number of persons or room size, these are naturally to be given preference. The functioning condition of fire extinguishers must be checked at specified intervals. As a rule, fire extinguishers are marked by a tag when they are inspected, and this shows the duration of validity.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type			
5.1	Does the company have established and communicated a written procedure for emergencies and evacuations to all workers? Does the site emergency response plan cover all realistic scenarios (e.g. tornados, floods, spills, releases of hazardous materials)?	yes			Reviewed employee manual, new hire orientation training, annual health and safety refresher training, and emergency preparedness plan; which adequately adress emergencies. Twice weekly training meetings supplement the health and safety training needs.	Emergency preparedness and response procedures are prepared for mitigating, responding to and recovering from an emergency. Emergency management is a dynamic process and includes planning, training, conducting drills, testing equipment and coordinating activities. A written procedure for emergencies should contain information about individual responsibilities, arrangements for 24/7 coverage by trained responders, a list of the different parties to be informed with their contact details, a procedure for handling the information towards the neighborhood, the press and other interested parties of serious accidents / incidents that happened on-site. If this is not the case, this leads to major finding. The emergency response plan minimizes the risk and ensures the safety of the employees. If there is no emergency response plan in place, this leads to a major finding. In case there are no written procedures, the auditor should describe on-site fire detection, notification, suppression and response systems (e.g. sprinkler systems, alarms, training and drills) in the following questions of the audit report. Provide
5.2	Does the company ensure a proper handling of emergencies, e.g. - availability of a trained emergency response team (on/off-site), - well indicated and properly signposted escape routes, emergency exits (unlocked) and assembly points, - enough fire exits for all workers to leave buildings safely, - checking of all fire fighting equipment regularly (e.g. alarms)?	yes			Reviewed employee manual, new hire orientation training, annual health and safety refresher training, and emergency preparedness plan; which adequately adress emergencies. Twice weekly training meetings supplement the health and safety training needs.	If it is not ensures that workers can leave the building and there are major risks for the workers in case of an emergency, this leads to a critical finding. Also if the emergency leads to major risk for nature, the environment and neighborhoods and there are no preventive actions in place, then it leads also to a critical finding. Otherwise this should be classified as a major finding.
5.3	Does the company coordinate the fire protection program with suitable experts, e.g. local fire brigade, authorities?	yes			Fire suppression inspection is performed annually by 3rd party.	Fire early warning systems are for example smoke sensors, fire alarm systems, alarm devices. These are not legally required in every country. In the countries where this is not a legal requirement, this leads to a minor finding. If it is a minimum standard of the local legislation in the country the supplier is based in, this leads to a major finding.
5.4	Is the fire fighting capacity adequate (e.g. water volume, emergency power supply, redundant pump system, fire fighting equipment)?	yes			Fire suppression inspection is performed annually by 3rd party.	Normally the national legal regulations specify the standard requirements for fire extinguishers and other fire fighting equipment. There must in all cases be functioning fire extinguishers in sufficient quantity (see recommendation of manufacturer). The fire extinguishers must be distributed in a meaningful manner, so that they can be reached by employees easily and within a short time. They must be placed at a height such that they can easily be reached by employees. It is easier for employees to find the fire extinguishers in an emergency if the place where they are kept is appropriately marked. All fire fighting equipment must be kept in proper condition. The fire fighting capacity has to be adequate to ensure no complication in an emergency situation. If this is not ensured, this leads to a major finding. If the site does not conduct any drill, it should be a major finding. If drills are carried out but they do not cover everyone or are not conducted regularly, the finding could be a minor one.
5.5	Are emergency drills performed yearly per shift?	yes	minor		Most recent drill conducted in October 2016, and held annually on both shifts.	

6. Medical Care

The company is expected to have a medical care program in place, which includes a prevention program, medical care in case of emergency (like first aid boxes or a medical treatment on-site) and information about asbestos containing materials used on-site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
6.1	Does the company provide prevention programs (e.g. back therapy training, healthy eating, anti-smoking programs, company sport activities)?	yes			Provided as part of medical benefits, outlined in employee handbook.	If the company does not provide any prevention programs, this leads to a minor finding. Prevention programs are for example back training sessions, sport programs etc.
6.2	Does the company ensure that medical care for the employees is provided in case of emergency?	yes			Provided as part of medical benefits, outlined in employee handbook.	If the site has no plan or low awareness for this requirement, this leads to a major finding.
6.3	Does the company have well-stocked first aid boxes in every area of the production site?	yes			Well stocked first aid kits were observed, and are checked monthly internally and supplies are replenished as needed.	The requirements for first-aid material are normally defined in the national regulations. If there are no such regulations, there must be first-aid kits provided to an extent appropriate for the size and layout of the building and rooms, the hazard potential of the workplaces, and the number of employees. These are to be protected from external effects (e.g. the effects of heat, dirt, dust, moisture, chemicals, etc.). The content of the first-aid kits depends on the national legal regulations. As a minimum, they should contain bandaging material, means for treatment of open wounds, eye injuries and burns, and first-aid blankets, painkillers and instructions for giving first aid.
6.4	Does the company have any further medical facilities/doctor's room on-site?	n/a			NA - Hospital is within 10 minutes.	Every area of the plant does not have to mean literally every area. 1 central location may be acceptable for a small plant. The auditor has to use judgment on ease of access. Unless stated in legislations or not, a first aid kit appropriate to the site and occupational accident possibility must be provided. Therefore, if a first aid kit is not provided, this leads to a major finding.
6.5	Has the company assessed whether asbestos containing, PCB and other materials are present on site?	n/a			Facility construction is to permit, and does not contain restricted materials.	Check whether the national regulations require the existence of a sickroom. If no sickroom is required, this question is to be answered with «NA». In general, this is a minor finding but if a legal requirement is not met or the site is very far from the nearest hospital, then this becomes a major finding.
6.6	If asbestos containing materials are present, has the site compiled an asbestos register (or similar) and trained employees on the hazards of asbestos and proper care and avoidance?	n/a			Facility construction is to permit, and does not contain restricted materials.	If the company has not assessed whether asbestos-containing, PCB and other materials are present on-site, this leads to a minor finding. It depends on how prevalent the material is within the plant. If exposure can occur in many areas, then it is a major finding.

7. Security

Established safety systems (like access controls or camera surveillance in entrance or secluded areas) or safety precautions prevent physical intrusion of unauthorized persons or intrusion via internet.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
7.1	Is the site secured through e.g. staff or fence/wall, areas intrusion prevention system?	yes			Controlled access entry to buildings.	Depending on what company produces and layout of e.g. production, it can be a minor finding.
7.2	Are entrances and windows along the periphery secured?	yes			Controlled access entry to buildings.	Depending on what company produces and layout of e.g. production, it can be a minor finding.

Labor & Human Rights

Legend:

please fill field	field is filled
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1. Child Labor

ILO Convention No. 138 of 1973 stipulates that the permissible age of entry into employment "shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years, for lightweight tasks below 13 years (exceptions: at the age of 14 years in developing countries, for lightweight tasks 12 years). It is expected that no children or young people carry out work harmful to health and hence abide the UN Convention on the Rights of the Child. Even if there is only one case of non-permissible child labor in the company, the company's score is to be marked down.

No.	Criteria and Guidance	Audit results		Explanation of audit results	Note to the auditor
		Answer	Type		
1.1	Is there an age verification system in place?	yes		Employee manual outlines process. All employees complete I-9 Right to Work verification form prior to employment. During this process ages are verified.	When hiring, the company shall require formal identification and age documentation for all workers. The company shall keep a copy of age documentation for all employees (but not the original!). Nevertheless, the auditor has to check how age of employees is verified. A missing verification system always leads to a minor.
1.2	Does the company ensure that there are no children below the age of 14 or 15 years (depending on local legislation), except for apprentices, summer jobs, school or education related internships employed? Please state the age of the youngest employee at the sites and offices in scope.	yes		No one under 18 is permitted onsite. Youngest worker in sample is 26 years old, and was hired when 25.	The employment of any children below 14 or 15 years (depending on local legislation) is a violation to local law and ILO convention, therefore it bears a high risk and always leads to a critical finding which has to be reported immediately to TfS.
1.3	Does the company make sure that young workers below 18 years of age are exempt from overtime, night work and hazardous work?	n/a		No one under 18 is permitted onsite. Youngest worker in sample is 26 years old, and was hired when 25.	It must be checked that their protection rights (e.g. with respect to working times, health and safety, hazardous workplaces. etc.) are complied with in the company. Young employees (15-18 years) are normally under the special protection of the law.
1.4	Is it ensured that young workers below 18 are not harmed with regard to health, safety, security or moral?	n/a		No one under 18 is permitted onsite. Youngest worker in sample is 26 years old, and was hired when 25.	
1.5	Do the combined hours of transportation (to and from work and school), school attendance and work amount to less than 10 hours a day?	n/a		No one under 18 is permitted onsite. Youngest worker in sample is 26 years old, and was hired when 25.	If the combination of hours of transportation, school and work exceeds 10 hours a day, this leads to a major finding. If hours worked by children systematically exceed 10 hours (e.g. high number of workers affected or combined hours far above 10 hours), this should lead to a critical finding.
1.6	Does the company develop or adhere to policies and take part in programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child?	n/a		Due to increased security, no one under 18 is permitted onsite.	

2. Forced and Compulsory labor

It is expected that collaboration of the employees is freely chosen. Forced and bonded labor (including bondage or involuntary prison labor) according to the definition of the ILO Convention 29 are declined. Original documents of the employees must not be in the possession of the company for a medium-term or long-term period, but only for as long as the company needs them for administrative purposes. For this purpose, employees shall receive a receipt when they hand over such documents to the company, with a description of the document, indication of the purpose, and time of return. If by way of exception it is in the interest of the employee for the employer to administer the original documents (e.g. due to lack of security at accommodation), a written agreement shall be made on custody of the documents, if possible with involvement of employees' representatives. In order to avoid any misunderstandings, the employer should transfer the task of administration as a trustee for such documents to an independent third party or institution, to which the employee can have recourse directly.

No.	Criteria and Guidance	Audit results		Explanation of audit results	Note to the auditor
		Answer	Expected Type		
2.1	Does the company ensure that no forced, bonded or involuntary prison labor is employed?	yes		All workers are local residents. All workers are directly hired (no intermediaries), no original documentation is maintained by the facility. Employee manual outlines policy that forced labor is not permitted.	
2.2	Does the company ensure that there is no Money (deposit, credits...) of its employees kept as a condition of employment in the company or does the company ensure that credits that could create dependencies of the worker are not granted?	yes		All workers are local residents. All workers are directly hired (no intermediaries), no original documentation is maintained by the facility. Employee manual outlines policy that forced labor is not permitted.	
2.3	Does the company have a signed contract of employment for every directly employed worker?	n/a		NA	Missing contracts for employee increase the risk for illegal employment and for forced labor, therefore this leads to a major finding. If this is not systematic, this leads to a minor finding.
2.4	Does the company provide a copy of the contract of employment to all workers?	n/a		Minnesota is an at will employment state - no contracts are required.	All contracts shall include the right of the workers and therefore shall be provided to all workers. If in some cases this is not the case, this would lead to a minor finding. If all employees have not been provided with a copy of their contract, this could be the sign for forced labor and therefore leads to a minor or major finding. Always differentiate between single occurrence and a chronicle situation.
2.5	Are all employees in the company free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision?	yes		Minnesota is an at will employment state - no contracts are required.	If the employees in the company are not free within the legal framework and upon discussion with their employer to terminate their employment on their own decision, this leads to a major finding.
2.6	Are all employees allowed to leave the company property after contracted hours/regular working time?	yes		All workers are local residents and are required to leave the facility outside working hours.	If employees are not allowed to leave the company (including factory and housing facilities, if provided) after contracted hours this leads to a major finding.
2.7	Are all workers provided with written and understandable information about their employment conditions with respect to wages (e.g. weekly or monthly payment periods) before they enter employment? Are workers informed about the particulars of their wages for the pay period?	yes		Employee manual, new hire orientation, corporate refresher training ensures employees understand the requirements and their rights.	Information received before entering the employment helps workers to evaluate the job offer. If this information is not provided, this leads to a minor finding.

3. Working Hours

The company has to have processes and procedures in place to ensure compliance with national law or international standards (ILO) regarding legal hours of work (e.g. time recording, responsibility of supervisors/management to observe standards, etc.). Standard working time should not exceed 8 hours per day / 48 hours per week or when considering voluntary overtime 10 hours per day / 60 hours per week. Additionally, 1 day (24 consecutive hours) off per week. Only extraordinary business circumstances allow for mandatory overtime (which can then even exceed 60 hours per week); those do include machinery breakdown, mechanical failures and others, but not ordinary production deadlines.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
3.1	Are the working hours recorded? If yes, please explain how.	yes			All working hours are recorded using an electronic swipe system.	<p>The company may decide for itself what arrangements it makes for time recording systems (attendance lists, punch/time cards, electronic data processing). But the system must be logical and comprehensive and must record the following:</p> <ul style="list-style-type: none"> - Actual start of work and actual end of work - Number of hours of overtime worked - Days free from work - Days of absence <p>The correctness of handwritten entries by third parties should be confirmed in writing by the employee (e.g. at the end of the month). If no recording of working hours is in place at all, this leads to a major finding.</p>
3.2	Does the average number of weekly hours per person (including overtime) not exceed 60 hours (ILO standard of maximum weekly working time)?	yes	minor		Most hours observed in the sampled payroll was 58 hours per week.	<p>This question is to find out the number of hours actually worked per week in order to earn the basic wage, not including paid overtime, and not including the total weekly time of the breaks. In order to evaluate the answer, the times determined in this way are then compared with the nationally applicable legal regulations. It should be rated as major if weekly working hours exceed 60 hours per week on a regular & voluntary basis (except for extraordinary business circumstances).</p> <p>The ILO Convention 1 determines that the daily working time of on average 8 hours and the weekly working time of on average 48 hours in normal cases may not be exceeded.</p>
3.3	Does the daily working hours not exceed 10 hours per day on a regular & voluntary basis (for reasons not relating to extraordinary business circumstances)?	yes			Regular scheduled hours are 5days - 8 hours per day, all other hours are voluntary and remunerated as overtime.	Irrespective of national laws 10 hours per day shall not be exceeded. Any exceedance leads to a major finding. Except if an evidence is brought up for a high need in case of single workers for a single occurrence. Short term excessive hours are OK if action plan is implemented and verified. Then it is a minor finding
3.4	Do working hours comply with national laws?	yes			Overtime policy is outlined in the employee manual and complies with federal and state requirements.	The compliance with national rules and agreements regarding working hours is preconditioned and therefore a non-compliance would lead to a minor finding.
3.5	Do employees have one day off (24 consecutive hours) per week on a regular basis?	yes			Most consecutive days observed worked is 6, all workers in the sample were provided one days rest each week.	If employees do not have a day off this leads to a major finding.
3.6	Does the company demand overtime only exceptionally and on a voluntary basis (except for legally defined situations of urgency or emergency that require full employment of the workforce)?	yes			Overtime policy is outlined in the employee manual and complies with federal and state requirements.	This is to find out whether there are only individual employees or groups of employees that do excessive overtime, or whether the overtime in the company is at too high a level in general. The average number of overtime hours worked by all employees in the previous week is to be determined from the time record documents provided, and to be compared with the relevant legal regulations. If the stipulated maximum working times are exceeded, this will lead to a major finding.

4. Minimum Wages

The lowest basic wage paid in the company for the regular monthly working time of a regular full-time employee is to be entered here. The information basis for this are the wage lists of the last 6 months. Regular full-time employees receive the nationally or regionally stipulated minimum wage for the regular working time and/or if the company's guaranteed regular working wage is below the applicable minimum wage. Calculation of gross wages - before deductions - and net wages - after deductions - should be included.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
4.1	Is the minimum salary paid by the company in compliance with legal minimum wage?	yes			Minimum wage is USD \$7.25 per hour, and lowest wage observed and reported starting wage is USD \$15.15 per hour.	The minimum salary paid by the company shall be in line with national law. Violations should lead to a minor if there are not systematic. In cases of systematic breaches this leads to a major finding.
4.2	Does the minimum salary paid by the company provide the employee with a basic salary that allows for making a living according to local standards?	yes			Minimum wage is USD \$7.25 per hour, and lowest wage observed and reported starting wage is USD \$15.15 per hour.	ILO Convention 131 stipulates that for the establishment of minimum wages, besides economic conditions, economic development requirements and productivity also the needs of the employees and their families, the cost of living and the social security benefits have to be taken into account. It is anticipated that the company observes the in each case legally guaranteed minimum rates, the minimum standards of the in each case national economic sectors and that the company acts upon the local job market. If this is not the case, this leads to a minor finding.
4.3	Are wages paid either with money directly to the employees in cash, check payment or by bank transfer as well as at regular intervals at least once per month? Are pay slips provided to the employees?	yes			Minimum wage is USD \$7.25 per hour, and lowest wage observed and reported starting wage is USD \$15.15 per hour.	Wages must be understood by the employees, paid in a timely and regular fashion, accurately calculated and paid in accordance with contract. If one of these aspects is systematically not followed, it is major. If not this leads to a minor finding. Some wages are mandatory according to local laws, if they are not paid, it should be a <u>major</u> .
4.4	Is it ensured that there are no deductions made from wages, e.g. for medical expenses, transport, accommodation, meals, training and disciplinary measures?	yes			Sampled payroll observed no unauthorized or required deductions.	If services are offered by the company for which the employees have to pay or for the use of which deductions are made from their wages, it must be examined whether deductions and the amount of deductions are legal. It is not permissible to make automatic deduction without the services being used. It is not permissible to make deductions from wages for the use of objects, buildings or services which are directly necessary for execution of the work (e.g. entry fees, charges for the use of tools and machines, for the use of sanitary facilities or for the provision of protective clothing for work, for drinking water or for washing facilities). Deductions for disciplinary measures are only accepted if they are allowed by law and if a freely negotiated collective bargaining agreement is in place.

<p>4.5 After deductions are made, is it ensured that no workers receive less than the legally applicable minimum wages?</p>	<p>yes</p>		<p>Wages comply with federal and state regulations.</p>	<p>Deductions are made should be limited to a certain percentage of the workers' earnings, to safeguard the maintenance of the workers and his/her family.</p> <p>It must be examined with particular care if the employees are dependent on these services due to lack of any alternative (e.g. accommodation, food, etc.). Use of these services by employees must always be voluntary.</p> <p>If any deductions are made for e.g. medical expenses, transport, accommodation, meals, training and disciplinary measures from wages this leads to a major finding.</p>
<p>4.6 Is overtime compensated (money, time) according to national law and benchmark industrial standards, whatever is higher?</p>	<p>yes</p>		<p>Overtime hours are remunerated at 150% of regular wages.</p>	<p>It must be ensured that the compensation of overtime hours is paid. This has to be calculated on the regular hourly wages that the single employee has earned and should be checked with the relevant counting methods and if necessary with samples.</p> <p>According to ILO Conventions No. 1 and No. 30, the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate. Overtime premium of 50 per cent above the regular wage are standard in many countries. If this is not the case this leads to a minor finding.</p>
<p>4.7 Are all workers provided with paid annual leave, statutory holiday, maternity leave as per local legal requirements?</p>	<p>yes</p>		<p>Vacation time, holidays and breaks are provided as extra benefits, and are outlined in the employee manual.</p>	<p>If payment of annual leave, statutory holiday or maternity leave as per local legal requirements are not offered this leads to a minor finding.</p>
<p>4.8 Are all workers provided with other benefits, such as medical insurance, pensions, social insurance as per local legal requirements?</p>	<p>yes</p>		<p>Medical insurance is subsidized.</p>	<p>The word benefits refers to additional compensation, for example bonuses, transport, food, clothing, etc., to which employees have a legal entitlement. If such a compensation is not offered this leads to a minor finding.</p> <p>If benefits are a legal requirement and not provided this should lead to a major finding.</p>

5. Freedom of Association

The ILO Conventions 87 and 98 ensure the right to freedom of association as well as the right to conclusion of collective-bargaining agreements (e.g. the right to found independent trade unions or other organizations representing their own group, protection from discrimination because of the membership in a workers representation / trade union etc.) The employees are entitled to choose the organization and the form of organization. The employer is not expected to promote trade union structures. On the other hand, the employer must not prevent the organization/membership of free and independent trade unions neither directly nor indirectly in so far as this is done within the statutory regulations of the respective country. Please check carefully.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
5.1	Do workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively?	yes			No restrictions of employee association outside of working hours are imposed.	
5.2	Does the employer have a constructive attitude towards the activities of trade unions and their organizational activities?	yes			No restrictions of employee association outside of working hours are imposed.	In line with the ILO Conventions 87 and 98 workers shall have the right to freedom of association as well as the right to conclusion of collective bargaining. If this is not the case this leads to a major finding. Exception in countries where it is legally not allowed.
5.3	Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace?	n/a			Facility is currently Union, collective bargaining agreement is valid through 2018. Representatives are protected.	
5.4	Where the right to freedom of association and collective bargaining is restricted under law, does the employer facilitate, and not hinder, the development of parallel means for independent and free association and bargaining?	n/a			No restrictions of employee association outside of working hours are imposed.	It is a standard of good practice and therefore leads to a minor finding.

6. Discrimination

According to ILO Core Convention 111 equal treatment of all employees is expected to be a fundamental principle of the company's corporate policy. No employee should be unfairly disadvantaged, favored or ostracized because of ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
6.1	Does the company assure compliance with policies on harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental or marital status?	yes			Employee manual outlines policy on harassment, discrimination, etc. as well as the consequences for failure to comply with the policies.	For example, the company hires workers based on individual skills and qualifications and does not ask applicants questions that are discriminatory in nature or irrelevant for carrying out job tasks and does not ask job applicants about pregnancy status or requests pregnancy testing. If the company does not ensure that its employees are not harassed in any way this leads to a major finding.
6.2	Does the company clearly and strictly forbid any form of verbal, physical or psychological threats, abuse or harassment in your company?	yes			Employee manual outlines policy on harassment, discrimination, etc. as well as the consequences for failure to comply with the policies.	
6.3	Does the company ensure no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers?	yes			Employee manual outlines policy on harassment, discrimination, etc. as well as the consequences for failure to comply with the policies.	If more than an occasional occurrence is recognized by the auditor than this leads to a major finding.

7. Special Work Contracts

The company is expected to have work contracts for every kind of employer-employee relationship. Special work contracts may be of concern if labor standards fall below those workers and employees employed through standard work contracts. It is expected that workers and employees in special work contracts working for the organization do not fall below minimum labor standards as defined by law or industry norms. Contractors in the widest sense include: individual workers contracted from staff agencies, sub-contractors (on-site / off-site) for core production processes, on-site service providers (building, engineering, cleaning, canteen, maintenance, etc.)

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
7.1	Do above defined labor requirements also apply to contract workers?	n/a			All workers are directly hired.	The auditor is expected to review a limited size of samples to ensure that the above requirements also apply to contract workers. The company is expected to apply all above defined labor requirements to their contract workers as well. The classification of this question is based on the most critical evaluation of the above criteria applied for contract workers.
7.2	Are systems and processes in place to manage sub-contracting, homeworking and external processing?	n/a			All workers are directly hired.	

8. Facilities & Dormitories

The company is expected to provide unlimited access to clean drinking water during working hours and also adequate sanitary facilities.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
8.1	Does the company provide unlimited access to free clean drinking water during working hours?	yes			Provided by local water district.	National statutory regulations often give a definition of the characteristics and inspection required for potable water. Clean drinking water does not mean bottled water, clean tap water for drinking shall be provided. Clean potable water must be available to all employees during working times otherwise this leads to a major finding.
8.2	Does the company provide adequate sanitary facilities e.g. low risk of infection, fixed equipment to wash hands?	yes			Facilities are adequate.	The number of toilets required by national regulations is to be entered and compared with the actual conditions. If there are less than the required number, this will lead to a minor finding.
8.3	If living accommodation / dormitories are provided for employees or contractors, are they safe and clean, and do they meet relevant basic requirements?	n/a			All workers are local residents, dormitories are not provided.	Accommodation / dormitories should meet basic requirements. The auditor may classify minor if standards are in line with country level standards but lack some basic requirements. The finding should be classified major if basic needs are not met or the standards fall below country level standards or laws.

Governance Assessment

Legend:

please fill field	field is filled
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1. Business Integrity

The company is expected not to practice or tolerate any form of corruption, extortion or embezzlement. The company does not offer or accept bribes or other unlawful incentives to/from its business partners. The company is expected not to offer to employees of the customers gifts or any other kind of personal benefits resulting from the relationships with the suppliers. It is expected that the company ensures that adequate procedures are in place in order to prevent corruption.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
1.1	Has the company established effective and appropriate internal controls to prevent and identify corruption (e.g. multiple-eye principle, separation of functions, job rotation)?	yes			Employees are trained on Code of Ethics & Conflict of interest. Multiple eye verification is also implemented.	A missing policy or adequate procedures to prevent and to identify corruption and bribery always lead to a minor finding.
1.2	Can the auditor confirm that no indication for fraudulent or corrupt behavior has been observed in the entire audit process?	yes			No evidence of fraudulent or corrupt behavior was apparent during the onsite visit.	Corrupt or fraudulent behavior leads to a critical finding.

2. Special Risk Area: Sourcing from Civil War Zones

In this section questions to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
2.1	Does the company have a policy/internal instruction to prevent sourcing from civil war zones or other areas with severe human rights infringements (e.g. Democratic Republic of Congo and their neighboring countries)?	yes			Policy and internal instructions are documented to prevent unauthorized sourcing.	The auditor should outline and explain to what extent this section applies to the supplier. If this section applies, suppliers are expected to implement mechanisms to identify, determine and manage risks in all areas addressed by Dodd Frank Act Section 1502. A policy / internal instructions to prevent sourcing from civil war zones or other areas with severe human rights infringements are expected from the company. A missing of such a policy should lead to a minor finding.
2.2	Does the company have a process in place to check business partners against any international/regional/national sanction party lists (e.g. lists related to product risks (e.g. arms and weapons) or country risks (e.g. terrorism))?	yes			Policy and internal instructions are documented to prevent unauthorized sourcing.	The company is expected to have a process in place to check business partners against any international/regional/national sanction party list or country risks. Therefore a missing of this process will lead to a minor finding.

3. Special Risk Area: Animal Testing

In this section questions with regard to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.
 The use of (non-human) animals in research and development projects, esp. for purposes of determining the safety of substances such as foods or drugs. Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
3.1	Is animal testing relevant for the company's business? If so, does the company have policies in place with regard to protecting animal health?	n/a			Animal testing in not required or allowed.	A missing policy to protect animal health during animal testing should lead to a minor finding.
3.2	If the company works with animals as a part of its business, does the company follow industry standards to assure animals are treated respectfully / humanely and that the number of animal tests is reduced?	n/a			Animal testing in not required or allowed.	The auditor shall specify in the auditor notes the magnitude of use of animals as part of the company's business activities (which type or species of animals / number of animals). It is expected that the company follows legal legislation, any major deviation should be rated as a major finding.

4. Privacy and Intellectual Property

The company is expected to safeguard the rights of its customer. These include the tangible and intangible things owned by the company over which the customer has exclusive and absolute legal rights, such as special product information, copyrights, patents etc. Private Property can be transferred only with its owners' consent.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
4.1	Does the company ensure confidentiality with customers in relation to contracted products, projects under development, and related product information?	yes			Employee manual and annual refresher training provided to all workers, outline confidentiality requirements.	The company is required to ensure confidentiality otherwise a minor finding has to be indicated. Systematic violations could lead to a major finding according to the definition in the TfS Audit Program.

5. Fair Competition

The company should not enter into any agreements with competitors with regard to prices, price components and terms and conditions that are used with customers or suppliers. The company should not agree on any joint price policy, not even for individual price components, calculation positions or cost positions. This applies equally to verbal and/or informal agreements as well as concerted practices. This guideline must also be observed in confidential private meetings and discussions.
 The company should not share the market with competitors according to regions or products, customers or suppliers. Non-compete agreements should not be established.
 The company should not share any confidential information relevant to the market with competitors. Terms of conditions, costs, sales/transport volumes, names of customers, capacities, prices, margins and discounts should not be shared with competitors. Also, changes of the company strategy or price policy must not be shared with competitors.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
5.1	Does the company ensure that applicable laws and regulations of fair business, including advertising and competitive marketing, are upheld (e.g. antitrust)?	yes			Corporate legal counsel advised on compliance with fair business regulations.	Missing standards to conduct business in line with fair competition and in accordance with all applicable anti-trust laws lead to a minor finding. Systematic violations could lead to a major finding according to the definition in the TfS Audit Program.

6. Disciplinary and Complaint Procedures


The company should provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated in a confidential manner. The company should investigate such reports and take corrective action if needed. As a best practice, the company has engaged an independent body (e.g. lawyer) that collects reports of concern and ensures confidentiality of the whistle blower. The mechanism ensures that whistleblowers will not be of disadvantage from reporting issues of concern.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
6.1	Does the company have any disciplinary policies in place in order to respond to cases of misconduct of employees (including management)? Have they been clearly communicated to all employees?	yes			Employee manual outlines requirements.	To ensure the compliance with national law and ILO standards, the company shall have a policy on disciplinary practices in place.
6.2	Has the company implemented disciplinary and complaint procedures in earlier cases of identified misconduct (if any)?	n/a			All disciplinary practices observed and reported appear to comply with local regulations, and is adequately documented and communicated to all workers.	<p>It is expected that the company provides means for their employees to report concerns or potentially unlawful activities in the workplace and to treat them in a confidential manner.</p> <p>Once cases of misconduct and unlawful activities are identified, these shall be followed up with due care and adequate sanctions shall be put in place in response.</p> <p>Examples include:</p> <ul style="list-style-type: none"> - formal disciplinary procedures established and communicated to all employees and management - keeping records of actions taken and grievance procedures
6.3	Does the company have a grievance mechanism for workers to report any complaints or cases of concern? If yes, is the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution (e.g. anonymous reporting / external point of contact that protects the whistle blower)?	yes			Management and HR open door policy.	<p>It is important that there is an announced channel for workers to report complaint and concern as a humanity view otherwise this leads to a minor finding. If no grievance mechanism is in place, this leads to a major finding.</p> <p>Examples:</p> <ul style="list-style-type: none"> - reporting channels established for anonymous reporting of misconduct and violations or issues of concern (e.g. whistleblower hotline)

Photo Report

Note: The purpose of this photo report is to visually document important audit findings. Each photo should be briefly described indicating to which criterion it relates and how it supports overall findings and conclusions.

The number of photos is not limited. Please add additional rows, if necessary.

Picture	Description <small>(short description of the photo ,indication to which criterion it relates and how it supports findings and conclusions made)</small>
	<p>Facility as observed from the Street</p>
<p>Customer proprietary property prevent photos in warehouse</p>	<p>Description</p>
<p>Picture</p>	
<p>Picture</p>	<p>Description</p>
<p>Picture</p>	<p>Description</p>
<p>Picture</p>	<p>Description</p>
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