




SMETA Corrective Action Plan Report (CAPR)

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 404452556	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: CAPILLA:404603179 NUMARAN: 404603144
Business name (Company name):	Agrícola el Rosal S.A. de C.V.		
Site name:	Red Sun Farms		
Site address: <i>(Please include full address)</i>	Unit 1 (CAPILLA); Camino al Guayabo de Ruiz km 5.7, Capilla de Morales Penjamo Guanajuato C.P. 36917 Unit 2(NUMARAN); Granjas Santa Elena S/N Rancho Altamira Numaran Michoacan de Ocampo C.P. 59433	Country:	Mexico
Site contact and job title:	Jorge Alberto Torres Camacho / Director of Sustainability		
Site phone:	3525229585 and 3595215600	Site e-mail:	atorres@agricolaelrosal.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input type="checkbox"/> Environment <input type="checkbox"/> Business Ethics
Date of Audit:	6, 7, 8 and 9 August 2018		

Audit Company Name & Logo: 	Report Owner (payee): Agrícola el Rosal S.A. de C.V.
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): It was selected 52 employees' record for July 2018 (current month), December 2017 (random month) and October 2017 (random month);

Due to some employees have few months in the facility, only the following attendance and payroll records were available:

52 records were reviewed from July 2018 (current month)

42 records were reviewed from December 2017 (random month)

42 records were reviewed from October 2017 (random month)

Report writer: Gabriel Dueñas

Report reviewer: Lorena Salgado

Date of declaration:

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

This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.

Audit Parameters

Audit Parameters				
A: Time in and time out	Day 1 Time in: 10:00 Day 1 Time out: 18:00	Day 2 Time in: 9:00 Day 2 Time out: 18:00	Day 3 Time in: 9:00 Day 3 Time out: 18:00	Day 4 Time in: 9:00 Day 3 Time out: 13:00
B: Number of Auditor Days Used:	1 Auditor 4 days			
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define			
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced			
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not			
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause			
G: Who signed and agreed CAPR (Name and job title)	Jorge Alberto Torres Camacho / Director of Sustainability			
H: Is further information available (if Y please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I: Previous audit date:	None			
J: Previous audit type:	N/A			
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A			

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	No worker representatives onsite		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	N/A		

Guidance:

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to record actions taken and to categorise the status of the non-compliances.

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

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

Root cause (see column 4)

Note: it is not mandatory to complete this column at this time.

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

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

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).

5. Some non-compliances that cannot be closed off by “Desk-Top” review may need to be closed off via a “1 Day Follow Up Audit” charged at normal fee rates. If this is the case then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
3 Health and safety (local law)	New Nuevo Major Mayor	1.- During the document review and tour of the facilities, it was observed that the company is classified as high risk of fire according to the risk analysis presented (Numaran unit), however, there is no fixed firefighting system requested by Official Mexican Standard (NOM-002-STPS-2010). Mexican Official Norm, NOM-002-STPS-2010, 5.10 Durante la revisión documental y recorrido por las instalaciones, se observó que la empresa está clasificada como de alto riesgo de incendio acuerdo al análisis de riesgo	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Not Provided	Please install the fixed firefighting systems according to the requirements of the standard. Favor de colocar los sistemas fijos contra incendio de acuerdo con los requerimientos de la norma.	60 days 60 días	Desktop Escritorio	Jorge Alberto Torres Camacho / Director of Sustainability	The facility must send documental evidence of this point closure. La empresa debe enviar evidencia documental de este punto.	Open Abierto

		<p>presentado (unidad Numaran), sin embargo, no se cuenta con sistema fijo contra incendio solicitado por la Norma Oficial Mexicana (NOM-002-STPS-2010).</p> <p>Norma Oficial Mexicana, NOM-002-STPS-2010, 5.10</p>							
3 Health and safety (local law)	New Nuevo Major Mayor	<p>2.-During the review of the documents and the visit to the facility, it was noted that the facility was classified as high risk of fire according to the fire risk assessment performed (Numaran Unit), however, there is no means of fire detection (packing area) according to the requirements of the Official Mexican Standard (NOM-002-STPS -2010), 5.10</p> <p>Mexican Official Norm, NOM-002-STPS-2010, 5.10</p> <p>Durante la revisión de los documentos y la visita a la instalación, se observó que la instalación se clasificó como riesgo alto de incendio de acuerdo con la</p>	<input type="checkbox"/> Training <input checked="" type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details: Not Provided	<p>Please install fire detection means in the facilities according to the requirements of the Standard.</p> <p>Favor instalar medios de detección de incendios de acuerdo a los requerimientos de la Norma.</p>	60 days 60 días	Desktop Escritorio	Jorge Alberto Torres Camacho / Director of Sustainability	<p>The facility must send documental evidence of this point closure.</p> <p>La empresa debe enviar evidencia documental de este punto.</p>	Open Abierto

		<p>evaluación de riesgo de incendio realizada (unidad Numaran), sin embargo, no existen medios de detección de incendios (área de empaque) de acuerdo con los requisitos del Oficial Norma</p> <p>Mexicano (NOM -002-STPS -2010), 5.10.</p>							
6 Working Hours (ETI Code, Local Law)	New Nuevo Major Mayor	<p>3.-During document review it was observed that 3 out 52 employees from the production area, worked 7 days without a resting day, in the period from 20/07/18 to 26/07/18.</p> <p>One employee of 52 in the period from 22/12/17 to 28/12/17.</p> <p>Mexican Labor Law Title III, Chapter III, Article 69,</p> <p>ETI Base Code: 6.6</p> <p>Durante la revisión documental se observó que 3 de 52 empleados del área de producción, trabajaron 7 días sin día de descanso, en el periodo de 20/07/18 al 26/07/18.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Not provided	<p>Please comply with requirements of the Law regarding days of rest.</p> <p>Favor de cumplir con los requerimientos de la Ley en materia de días de descanso.</p>	60 Days 60 días	Follow Up Seguimiento	Jorge Alberto Torres Camacho / Director of Sustainability	<p>A follow up audit must be conducted to verify this point.</p> <p>Se tiene que realizar una auditoria de seguimiento.</p>	Open Abierto

		Un empleado en el periodo del 22/12/17 al 28/12/17. Ley Federal del Trabajo, Título III, Capítulo III. Artículo 69, Código ETI: 6.6							
10B2: Environment 2-Pillar (local law)	New Nuevo Major Mayor	4.-During the document review it was observed that the facility (Numaran and Capilla units) does not have their environmental license in accordance with this Regulation requirement. Regulation of the General Law on Ecological Balance and Environmental Protection in terms of Prevention and Control of Atmospheric Pollution, Chapter II, Article 18. Durante la revisión de documentos se observó que la empresa (unidades Numaran y Capilla) no cuenta con la licencia de funcionamiento ambiental de acuerdo a los requerimientos de la Ley. Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Not Provided	Please conduct the actions required to be in compliance with this regulation requirement. Favor de realizar las acciones necesarias para cumplir con los requerimientos de éste Reglamento.	30 Days 30 Días	Desktop Escritorio	Jorge Alberto Torres Camacho / Director of sustainability	The facility must send documental evidence of this point closure. La empresa debe enviar evidencia documental de este punto.	Open Abierto

		Prevención y Control de la Contaminación de la Atmósfera, Capítulo II, Artículo 18							
10B2: Environment 2-Pillar (local law)	New Nuevo Major Mayor	<p>5.-During audit process it was noted that the company (Capilla and Numaran units) has not been registered as generator of hazardous waste</p> <p>General Law for the Prevention and Management of Waste, Title V, Chapter I, Article 43.</p> <p>Durante el proceso de auditoría se notó que la empresa (unidades Capilla y Numaran) no ha sido registrada como generador de residuos peligrosos.</p> <p>Ley General para la Prevención y Gestión Integral de los Residuos, Título V, Capítulo I, Artículo 43.</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Not Provided	<p>Please have the registration as generator of hazardous waste.</p> <p>Favor de contar con el registro de empresa generadora de residuos peligrosos.</p>	30 Days 30 Días	Desktop Escritorio	Jorge Alberto Torres Camacho / Director of Sustainability	<p>The facility must send documental evidence of this point closure.</p> <p>La empresa debe enviar evidencia documental de este punto.</p>	Open Abierto
10B2: Environment 2-Pillar (local law)	New Nuevo Major Mayor	<p>6.-During the document review it was observed that the facility (Capilla and Numaran units) has not identified and calculate or estimate its direct emissions</p>	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input checked="" type="checkbox"/> Other – please give details: Not Provided	<p>Please conduct the actions required to be in compliance with this Regulation.</p> <p>Favor de realizar las acciones requeridas para</p>	60 Days 60 Días	Desktop Escritorio	Jorge Alberto Torres Camacho / Director of Sustainability	<p>The facility must send documental evidence of this point closure.</p> <p>La empresa debe enviar evidencia documental de este punto.</p>	Open Abierto

		<p>Regulation of the General Law of Climate Change in terms of National Register of Emissions, Chapter I, Article 3. For the effects of the article 87</p> <p>Durante la revisión documental se observó que la empresa (unidades Capilla y Numaran) no ha identificado y calculado o estimado sus emisiones directas</p> <p>Reglamento de la Ley General de Cambio Climático en materia del Registro Nacional de Emisiones, Capítulo I, Artículo 3.</p>		cumplir con este Reglamento.					
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Corrective Action Plan – Observations

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
Not observed	Not observed	Not observed	Not observed	Not observed

Good examples

Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
Not observed	Not observed	Not observed

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:	Jorge Alberto Torres Camacho	Title Director of Sustainability Date August 9, 2018
B: Auditor Signature:	Gabriel Dueñas	Title Auditor Date August 9, 2018
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances: None		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments: None		

Guidance on Root Cause

Explanation of the Root Cause Column

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

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

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

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

Some examples of finding a “root cause“

Example 1

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

Example 2

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

Example 3

A site uses fines to control unacceptable behaviour of workers.

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

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

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

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

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

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

Intertek nor any of its affiliates shall be held liable for any direct, indirect, threatened, consequential, special, exemplary or other damages that may result including but not limited to economic loss, injury, illness, or death arising from the inability of a facility to implement its CAP.



For more information visit: Sedexglobal.com

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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](#)

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

[Click here for Supplier \(B\) members:](#)

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