



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: (only available on Sedex System)	ZC: 408590677	Sedex Site Reference: (only available on Sedex System)	ZS: 408698826	
Business name (Company name):	Healthy Grains S.A.			
Site name:	Healthy Grains S.A.			
Site address: (Please include full address)	Prof. Guillermo Leoz casi Moises Bertoni. Galpones N.S.A, Luque	Country:	PARAGUAY	
Site contact and job title:	Jose Di Natale – Quality coordinator			
Site phone:	+595 994102154	Site e-mail:	audicalidad@healthygrainssa.com.py	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	16 th & 17 th December 2019			

Audit Company Name & Logo: Bureau Veritas 	Report Owner (payer): Healthy Grains S.A.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

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

Lead auditor: Florencia De Natale APSCA number: 21703355

Lead auditor APSCA status: Associate Social Compliance Auditor (ASCA)

Team auditor: N/A APSCA number: NA

Interviewers: Florencia De Natale APSCA number: 21703355

Report writer: Florencia De Natale

Report reviewer: Anjali KULKARNI

Date of declaration: 07th January 2020

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)	
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE		
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>		0	0	Nothing to report	
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1	0	The SAQ was not available for review; the site should have completed the SAQ but it is new at sedex and was unaware that it should be done prior to the audit	
1. Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
2. Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
3. Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
4. Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
5. Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
6. Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
7. Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	Nothing to report	
8. Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report	
8A Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report	

9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	N/A
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	Nothing to report

General observations and summary of the site:

It was verified compliance with the requirements.

The company is in industrial and logist park since 2 year ago and the building is rent; the owner of the park is the Logistic company Nuestra Señora Asuncion. The park builded several buildings (ships) and are divided independent for different companies. The canteen is share by all the companies in the park. Also share a recreational sector with plays and football field.

The structure is in very good conditions and the building and machines are new.

During the interviews the employees show very positive attitude and communication with managers.

The company has demonstrated its commitment to responsible management.

Negative: Nothing to report

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

Site Details

Site Details		
A: Company Name:	Healthy Grains S.A.	
B: Site name:	Healthy Grains S.A.	
C: GPS location: (If available)	GPS Address: 25°16'55.3"S 57°29'26.1"W	Latitude: Longitude:
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	N ° 42791670610 Certificate of tax compliance valid 12-12-2019 valid for one year. Commercial Patent No. 1324948 valid from 11-28-2019 for one year.	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Processing and sale of chia grains and ground chia grains.	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The company is in industrial and logistic park since 2 year ago and the building is rent; the owner of the park is the Logistic company "Nuestra Señora Asuncion". The park built several buildings (ships) and divided independent for different companies. Shared ship but total independence other companies. The canteen is share by all the companies in the park. Also share a recreational sector with plays and football field.</p> <p>The structure is in very good conditions and the building and machines are new.</p> <p>The distribution of the site is:</p> <p>Is one building. Area of income and deposit of raw materials. Production area (sieving, polishing, cleaning), packaging, storage and dispatch of finished product. The total area is 3690mtr2 (office, changing rooms, deposit raw materials, production and deposit finished product). Age of the building since 2014-</p>	
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor	
H: Month(s) of peak season: (if applicable)	June- September	

<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>Arrival of raw material, storage. Entry of the raw material to the lines (son 2 Lines A and B). The raw material is turned over to Hopper, passes through sifted pre cleaner, post cleaned, sifted, sarandas. Subsequently the decimetrics for classification by weight, polisher with ascending belt. Hopper and magnetic tape, metal detectors. Stored in hopper and subsequent packaging in bags, dispatch of finished product.</p>
<p>J: What form of worker representation / union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None (is not legal requirement)</p>
<p>K: Is there any night production work at the site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation, No accommodation is provided</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers No accommodation is provided</p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details No accommodation is provided</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8 am Day 1 Time out: 5 pm	Day 2 Time in: 8 am Day 2 Time out: 12hs.	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	1,5 MD (+0,5 report)		
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 If other, please define N/A		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If No, why not? Being a new company, a company in sedex did not know the importance of completing the SAQ		
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 N/A		
G: Who signed and agreed CAPR (Name and job title)	Andrea Nuñez- Quality Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	No workers representatives. Do not have the minimum number of people required to have a delegate or worker representatives.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No union representatives. They don't have the minimum number of people required to have a delegate or union representative.		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	14	5	0	0	0	0	0	19
Worker numbers – female	8	0	0	0	0	0	0	8
Total	22	5	0	0	0	0	0	27
Number of Workers interviewed – male	4	2	0	0	0	0	0	6
Number of Workers interviewed – female	4	0	0	0	0	0	0	4
Total – interviewed sample size	8	2	0	0	0	0	0	10



A: Nationality of Management	Paraguay	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: ___ Paraguay ____ B2: Nationality 2: ____ B3: Nationality 3: ____	Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods: N/A
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 ___ Paraguay ____ C1: approx % total workforce: Nationality 2 ____ C2: approx % total workforce: Nationality 3 ____	
D: Worker remuneration (management information)	D: _____% workers on piece rate D1: _____% hourly paid workers D2: ___100___% salaried workers Payment cycle: D3: _____% daily paid D4: _____% weekly paid D5: ___100___% monthly paid D6: _____% other D7: If other, please give details N/A	



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	1 group 4 employees	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 3	D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details N/A	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	There was no complaint from the workers regarding the company	
I: What did the workers like the most about working at this site?	Good and direct communication with management staff. Open door policy.	
J: Any additional comment(s) regarding interviews:	Good working conditions.	
K: Attitude of workers to hours worked:	Nothing to report	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: N/A		
M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk		

Very Positive attitude of workers. The interview process showed a high level of satisfaction toward management staff.

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

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

No workers representatives or delegates on site, Is not a legal requirement for the size of the company and the number of employees.

The employees responded with liberty and confidence to the questions. The responses were very positive, both in terms of management.

O: Attitude of managers:

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

They were very kind The managers collaborated during the audit, gave open access to documentation, wage payment receipts, files and the entire site. They were present during the start and end meetings

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains SA has a policy supported at the highest level, where human rights issues are covered and is communicated to interested parties including suppliers.

The company identifies its stakeholders and relevant problems and evaluates its own. The company as a responsible for standard implementation and human right standards; Andrea Nuñez- Quality manager.

The company has a transparent system to confidentially inform and address human rights without fear of reprisals against the reporter: codigo.etico@healthygrainssa.com.py. The access is only for quality manager (Andrea Nuñez) and directors.

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

Details: Ethical code, human rights policy, policy against discrimination, harassment and child labour, policy against forced labor and freedom of movement, Freedom of association and collective bargaining policy, induction, training records, files.

Any other comments:N/A

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Ethical code, human rights policy
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Andrea Nuñez Job title: Quality manager
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Ethical code, policy against discrimination , harassment and child labour
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details Ethical code, policy against discrimination , harassment and child labour
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Ethical code, policy against discrimination , harassment and child labour. The access is only for quality Manager – Andre Nuñez and directors.

Findings Nothing to report		
Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/> Description of observation: Local law or ETI/Additional elements / customer specific requirement: Comments:	Objective evidence observed:	

Good examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2018 __0__ %	A2: This year 2019 __0,074__ % (2 cases)
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	1 worker	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: __0__ %	C2: This year 13 days
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	5 days lost for absenteeism (they use KPI day lost)	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: no accident's last 2 years: Accidents must be recorded according to their internal accident registration procedure in the case analysis form. It is recorded to occur according to the internal procedure.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2018 Number: 0	F2: This year: 2019 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months __0__% workers	I2: 12 months __0__% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months ___0___% workers	J2: 12 months ___0___% workers
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0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains SA has defined an Ethical code, human rights policy, policy against discrimination, harassment and child labour, policy against forced labor and freedom of movement, Freedom of association and collective bargaining policy, business ethics policy.

The policies was communicated to the interested parties included the workers and suppliers.

The company has a manager responsible for the code Andrea Nuñez Quality manager.

The company is certificated in: Standard BRC (Global standard for food safety) Issue 8 grade A. Valid until 28-7-2020 certificate UY 19/81841020 SGS. Other certification available in site; kosher(until July 2020), halal, JAS(certificate for organic producer Japan), NOP(production organic USDA), FDA, USCOEA, FDA

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

Details: ethical code, human rights policy, policy against discrimination, harassment and child labour, policy against forced labor and freedom of movement, Freedom of association and collective bargaining policy, business ethics policy. Certificates (BRC and others food certificates).

Any other comments: N/A

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: N/A
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: policy against discrimination, harassment and child labour, policy against forced labour. Ethical code. Human right policy.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Internal policies, internal audits, ethical code,
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: last training performed 2-12-2019 (records were checked)
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: training records done 2-12-2019, interviews
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: Certificated in BRC (Global standard for food safety) Issue 8 grade A. Valid until 28-7-2020 certificate SGS UY 19/81841020. Other certification available in site: kosher (until July 2020), halal, JAS (certificate for organic producer Japan), NOP (production organic USDA), FDA, USCOEA, FDA
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: 1 person HR responsible
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Andrea Nuñez- Quality Manager
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Ethical code, anonymous mailbox codigo.etico@healthygrainssa.com.py
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: ethical code indicate the access for quality manager and directors (confidential information) codigo.etico@healthygrainssa.com.py
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: internal audits
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: internal policies, regular internal audits

M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The company has communicated to its suppliers the policies and asks adhere compliance the code and ethical policies.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: All permits in compliance. Local and national government permits for operate, municipal permits Luque N° 2142 valid since 26-11-2019 for one year.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: legal assessment and legal advise
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: internal policies, the company is inside industrial park and rent the space.
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: The company rent the location. Rent contract was checked. All legal requirements related to land rights are in compliance.
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The company rent the location. Rent contract was checked. All legal requirements related to land rights are in compliance.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: The company rent the location. Rent contract was checked. All legal requirements related to land rights are in compliance. Is in industrial park.

Non-compliance: Nothing to report

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI requirement:

Recommended corrective action:

Observation: Nothing to report

Description of observation:

The SAQ was not available for review: the site should have completed the SAQ but it is new at sedex and was unaware that it should be done prior to the audit

Local law or ETI requirement:

The company should perform the SAQ at the Sedex platform.,

Comments:

The company is new in Sedex , so did not aware the perform the SAQ before the audit.

Objective evidence observed:

SAQ was not available for review

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective evidence observed:

1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current systems:

The recruitment process is realized in strict compliance with national law requirements at Healthy Grains. It was confirmed during the interviews that the workers are free to leave in case they want any time. Workers are not required to lodge deposit or ID, they are free to leave any moment. The entire recruitment and induction process is carried out in compliance with the requirements of national legislation. 10 document files were evaluated and 10 interviews were conducted. Growth in employment is based entirely on the nature of work, skill, experience.

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

Details: Ethical code, human rights policy, freedom of movement, Freedom of association and collective bargaining policy, induction, training records, files. interviews, personnel files
Any other comments: N/A

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding: workers are free to leave or terminate the employment any time, was checked during the interviews. Freedom of movement, Freedom of association and collective bargaining policy,
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable

published a 'modern day slavery statement'?	E1: Please describe finding: N/A
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding: Workers are free to leave any moment. Personnel files were checked, interviews were performed.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The risk is low . The company has direct communication with farms producer, they training them in social responsibility. The location in an industrial park. Verified knowledge of policies and ethical code. It is available and has been working on their requirements.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Verified knowledge of policies and ethical code. It is available and has been working on their requirements. Ethical code, social policies and internal polices are implemented

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement

Recommended corrective action:

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

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

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Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective evidence observed:

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

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ETI

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

Current Systems and Evidence Examined

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

Current systems:

The employees are not unionized but are free to join any union. Freedom of association and collective bargaining policy in site. Is small company is not legal requirement to have a union or committee. The employees know their right, verified in the interviews.

There is a very good facility and freedom in the communication process between the workers and the administration staff.

It was verified that the communication is good and fluid between HR and the workers. The workers are free to join the union, as verified in the interviews.

The workers know their rights. Verified in terms of salary records, hours of work, remuneration, and time free.

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

Details: wage records, interviews, delegate interview, personnel files, Freedom of association and collective bargaining policy, company internal policies.

Any other comments: N/A

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Is there any other form of effective worker/management	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	D1: Please give details: billboards, HR communications, Ethical Channel anonymous mailbox, D2: Is there evidence of free elections? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: N/A No union or committee in site	
F: Name of union and union representative, if applicable:	No union or committee in site. N/A	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	N/A	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	No union or committee in site
I: Were worker representatives freely elected?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	I1: Date of last election: No union or committee in site
J: Do workers know what topics can be raised with their representatives?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A workers know their rights.	
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many: No union or committee in site	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	No union or committee in site. Workers know their rights was verified in interviews with employees.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: __0__% workers covered by Union CBA	M2: __0__% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A	

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective evidence observed:

3: Working Conditions are Safe and Hygienic

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ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current systems:

It was verified that they have been carried out according to the legal requirements: training, evacuation simulation were done.

The responsible of Health and Safety and environmental in site is Lidis Vera y Aragon (production leader) . The risk analysis done in complain with local and national regulations.

It was verified that they have free access to drinking water and toilets in clean and hygienic conditions.

They have a canteen share with the companies inside the industrial park to take refreshments and lunch. The place is nice with enough place, airy for all park employees.

Last evacuation simulation and training was performed 7-6-2019 records were checked.

Training: Use PPE, brigade training in evacuation roles, emergency response, food manipulation, the company has the Environmental and safety policy.

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

Details: risk matrix, training records, files, accidents statistics, evacuation drill, site tour, hazard identification, safety plan evacuation, Environmental and Safety Policy.

Any other comments: N/A

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes

☐ No

A1: Please give details: Environmental and Safety Policy.

B: Are the policies included in workers' manuals?

☒ Yes

☐ No

B1: Please give details: induction and training files, personnel records, interviews

C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No special permits required
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: SHE induction, PPE available
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: No medical facility in site, is not required for the size of the company. Emergency service available.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: No medical facility in site is not required for the size of the company. 24hs Emergency service available. First aider kit available, first aids training every year(October 2019 last training)
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: N/A
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Personnel lockers with locks
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: risk assessment performed for 2019, regular meetings and training about SHE.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: all in compliance. Environmental licence SIAM 6398/2019, valid since 13-12-2019 for one year
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: only legal chemical used, not for the process only for cleaning. Lubricants food range.

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement

Recommended corrective action:

2.
:

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

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Recommended corrective action:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

4: Child Labour Shall Not Be Used

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ETI

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains S.A. has a policy - not to employ minors, policy against discrimination, harassment and child labor, The youngest worker is 20 years old (legal minimum 18 years old). The legal requirements are met, was verified during the site tour and interviews. No child labor or minors were observed.

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

Details: policy against discrimination, harassment and child labor, ethical code, personnel files, interviews, site tour

Any other comments:N/A

A: Legal age of employment:	18 years old
B: Age of youngest worker found:	20 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details No employees under 18 years old

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

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

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains S.A. has salaries in compliance with regulations. Workers earn the legal minimum wage or more above the legal minimums for Paraguay.

The workers know about the regulations about salaries and benefits.

The payments are made according to the law with bank deposit.

The company makes deductions according to national and local law: medical insurance and pension.

The minimum salary per month on site is (guaranies)Gs.2192839 per month.

The company makes deposits to the bank account of monthly salaries between the last day of the month to the 5 firsts days of the month. No delays found. Confirmed by checked documentation and employee interviews.

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

Details: wage records, personnel files, interviews, interviews, CBA.

Any other comments: N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 48hs per week	A1: 44hs per week or less	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 57 hs total per week (11 hs extra per week tops)	B1: 7 hs extra maximum per week.	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Gs.2192839 per month	C1: Gs.2192839 per month or more	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 100% per hr	D1: 150% per hour	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If No , why not?	N/A		
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 sample (10 wage records September 2019 (peak), 10 wage records November 2019 (last month) , May 2019 (random)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:N/A	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	D1: If No , please give details:N/A	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. Gs.2192839 per month	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: __60__% of workforce earning minimum wage F3: __40__% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc. No bonus Bonuses for production employees only 500,000 guaranies only during harvest time.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance, pension(IPS)		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. social insurance 2.pension Please describe: Social insurance, pension(IPS)

		I2: Please list all deductions that have not been made.	1. N/A 2. Please describe: N/A
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type N/A <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: salary records, time records, interviews		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please specify amount/time: Gs.2192839 per month		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input checked="" type="checkbox"/> Other – please give details: DGEEC_ Dirección de Estadísticas, encuestas y Censos de Paraguay		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Annually, last July 2019(+3,8%)		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: salary records, interviews.		
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other		

	Q1: If other, please explain: N/A
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6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Production employees have working hours from Monday to Friday from 7am to 12 pm and 13hs to 16hs. Saturday from 8 to midday (12hs) . Saturday afternoon and Sundays free.

Administration employees works Monday to Friday from 8 to 17 hs. Saturdays and Sundays free.

Working hours, excluding overtime, not exceed 44 hours per week or less. National regulation indicates 48hs per week is the maximum. The time control is carried by finger print electronic system.

Overtime is voluntary, in case of overtime the hours is paid 150% according national labor code.

Overtime is not systematic and overtime is voluntary. No deviations were found in the sample taken regarding the use of overtime, in compliance. This was verified in interviews with employees and wage records.

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

Details: interviews, wage records, time records, personnel files.

Any other comments: N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Working hours' analysis

Please include time e.g. hour/week/month
(Go back to Key information)

Systems & Processes

A. What timekeeping systems are used: time card etc.

Describe: finger print access

B: Is sample size same as in wages section?

☒ Yes
☐ No

B1: If no, please give details 10 sample (10 wage records September 2019 (peak), 10 wage records December 2019 (last month) , May 2019 (random).

C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details: N/A			
D: Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	D1: If YES, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input checked="" type="checkbox"/> Other
		If "Other", Please define: temporary workers (valid date are in contracts)			
		N/A			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: N/A			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			
		6 days work, one the off			
Standard/Contracted Hours worked					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:			
		N/A			
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:			
		N/A			
Overtime Hours worked					

I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 20 hrs per month ,	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	___0___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: interviews, wage records, time records information</i>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A –	<i>M1: Please give details of normal day overtime premium as a % of standard wages: 150% overtime</i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>N1: If yes, please describe % of workers & frequency: Not systematic use overtime, , less than 10 %</i>
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	N/A	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	

	N/A Not found more 57hs worked by week.
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: If yes, please give details: N/A
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

ETI

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains has an Ethical code and policy against discrimination that includes the commitment against all types of discrimination like compensation, promotion, termination, race, national origin, religion, gender, etc.

Was verified during the audit personnel records and medical records were checked.

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

Details: policy against discrimination medical records, personnel files, ethical code, internal policies. Wage records.

Any other comments: N/A

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __100__ % A2: Female _____ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	2 women in quality lab and 1 production coordinator
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: no evidence found, personnel files, interviews, code of conduct. HR policies and medical files were checked.

Professional Development

A: What type of training and development are available for workers?

HACCP, GMP, allergen management, industrial safety, brigades, first aid, food handling, PPE use.

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?

☒ Yes
☐ No

If no, please give details:N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

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

ETI

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current systems:

All the employees are regularly employed according to national law. No deviations were identified. They all get a contract approved and signed by workers and the company. No Agency worker on site, all regular workers. Files were checked.

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

Details: personnel files, interviews, policies

Any other comments: N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

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

Observation: Nothing to report

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Responsible Recruitment

All Workers

A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

☒ Terms & Conditions presented
☒ Understood by workers
☒ Same as actual conditions

A1: If any are unchecked, please describe finding and specific category(ies) of workers affected: N/A

B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?

☐ Yes
☒ No

B1: If yes, please describe details and specific category(ies) of workers affected: N/A

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details:N/A
D: If any checked, give details:	N/A

Migrant Workers: N/A <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	No migrant workers	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: B2: Total number of (outside of local country) recruitment agencies used:	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:	C2: Observations:
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles:	

NON-EMPLOYEE WORKERS N/A

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

Agency Workers (if applicable) N/A	
<i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available: no agency workers
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

	D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:

Contractors: N/A	
<i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If yes, how many contractors are present, please give details: no contractors
B: If Yes , how many workers supplied by contractors?	
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:
D: If Yes , please give evidence for contractor workers being paid per law:	

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

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

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

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

Note to auditor on homeworking:

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

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

Current Systems and Evidence Examined

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

Current systems:

The company does not use Homeworking or subcontracting systems.

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

The company does not use Homeworking or subcontracting systems.

Site tour and Interview

Details: The company does not use Homeworking or subcontracting systems.

Non-compliance: Nothing to report

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI/Additional elements requirement:

Comments:

Objective evidence observed:

Good Examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Summary of sub-contracting – if applicable

☒ Not Applicable please x

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

☐ Yes
☐ No
A1: Please describe:

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

☐ Yes
☐ No
B1: If **Yes**, summarise details:

C: Number of sub-contractors/agents used:

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

☐ Yes
☐ No
D1: If **Yes**, summarise details:

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

Summary of homeworking – if applicable

☒ Not Applicable please x

A: If homeworking is being used, is there evidence this has been agreed with the main client?

☐ Yes
☐ No
A1: If **Yes**, summarise details:

B: Number of homeworkers

B1: Male:

B2: Female:

Total:

C: Are homeworkers employed direct or through agents?

☐ Directly
☐ Through Agents

C1: If through agents, number of agents:

D: Is there a site policy on homeworking?

☐ Yes
☐ No

E: How does the site ensure worker hours and pay meet local laws for homeworkers?	
F: What processes are carried out by homeworkers?	
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to summary of findings\)](#)

ETI

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

Additional elements:

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: the company has a transparent system to reporting ethical and labour violation scodigo.etico@healthygrainssa.com.py , is anonymous and confidential
B: If Yes , are workers aware of these channels and have access? Please give details.	Yes during the interviews were checked the Knowles of the employees about mail. Interviews and personal files.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	The company has a transparent system to confidentially inform and address human rights without fear of reprisals against the reporter anonymous email and mailbox : codigo.etico@healthygrainssa.com.py and mailbox in lockers room
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: codigo.etico@healthygrainssa.com.py and mailbox in the entrance of the lockers rooms.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details N/A
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give detailsN/A
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details N/A
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details N/A

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains has policies like: policy against discrimination, harassment and child labor, policy against forced labor and freedom of movement, Freedom of association, ethical code.

The workers are well treated. They have good and direct communication with supervisors and management. When problem or other particular issue occurs with a worker, a transparent methodology is implemented to report any situation. Treatment is confidential.

The company has a transparent system to confidentially inform and address human rights without fear of reprisals against the reporter. Ethical code and business ethics policy, the company has a transparent system to confidentially inform and address human rights without fear of reprisals against the reporter Anonymous email codigo.etico@healthygrainssa.com.py and mailbox in lockers rooms.

A person has access to anonymous mail (Quality manager) and she people can refer the problem to the directors according to the severity and nature of the complaint.

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

Details: Employment contracts, personnel records, interviews, ethical code, business ethics policy

Any other comments: N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: Nothing to report	
Description of Good Example (GE):	Objective Evidence Observed:

10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains SA hires only workers legally entitled to work. No agency workers in site, all complies with the legal and ethical requirements. No migrant workers.

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

Details: personnel records, interview, contracts, site tour.

Any other comments: N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

☐ NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation: Nothing to report

Description of observation:

Local law or ETI/Additional Elements requirement:

Comments:

Objective evidence observed:

Good examples observed: Nothing to report

Description of Good Example (GE):

**Objective Evidence
Observed:**

10. Other issue areas 10B4: Environment 4–Pillar

[\(Click here to return to summary of findings\)](#)

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The company is in accordance with the provisions and legal requirements, Legal environmental licences SIAM 6398/2019 valid from 13-12-2019 for 1 year.

The waste is managed in accordance with the national and local laws provisions. The responsible for SHE is Andrea Nuñez Quality EMS responsible- quality manager.

The company has environmental and Safety&health policy in place. The waste is managed according to legal requirements. The process not require water, just use electricity. The main process only generates as waste the one given off in the cleaning. Impurities and weeds. the cleaning is by means of sarandas and air. That garbage is sold. All in compliance with the national and local laws.

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

Details: Environmental License, Environmental and Safety & health Policy, Quality policy and risk analysis, site tour etc.

Any other comments:N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

☐ NC against Local

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

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation: Nothing to report

Description of observation:

Local law or ETI/Additional elements requirements:

Comments:

Objective evidence observed:

Good examples observed: Nothing to report

Description of Good Example (GE):

Objective Evidence Observed:

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Andrea Nuñez – Quality Manager (responsible for SHE)
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: environmental assessment
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: low risk, lubricant used in machines are food range.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes billboards, Environmental and Safety & health Policy
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: ts operations have no significant environmental impacts. <i>Only the waste that is generated from the cleaning of chia grains in which it is made by zaranda(air and moving) . They do not use water or another item in process. The company sells the discarded grains as food for farm animals. No pesticides all organic are used. The energy is managed by the industrial park.</i>
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please gives details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details:N/A
H: Have all legally required permits been shown? Please gives details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Legal environmental licences SIAM 6398/2019 valid from 13-12-2019 for 1 year.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A I1: Please give details: no hazardous chemical used, lubricant food range. Chemical only for cleaning toilets, all legal requirement in complaint
J: Is there a system for managing client's requirements and legislation in the destination	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

countries regarding environmental and chemical issues?	J1: Please give details: : Procedure for identifying legal requirements. Legal advice.	
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:waste and water consumption KPI	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: they sell the waste for animal feed, proceed the waste provided with the cleaning of chia. They do not weigh what is sold.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Kpi water consumption , waste	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: Daily permits, Documentation and permissions of contractors are controlled	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _____2018_____	Current Year: Please state period: _____2019_____
Electricity Usage: Kw/hrs	The energy is managed by the industrial park. It is not individual, the park charges a prorated monthly value.	The energy is managed by the industrial park. It is not individual, the park charges a prorated monthly value.
Renewable Energy Usage: Kw/hrs	N/A	N/A
Gas Usage: Kw/hrs	N/A	N/A
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Well water 	<ul style="list-style-type: none"> Well water
Water Volume Used: (m ³)	No information	713.549m3

Water Discharged: <i>Please list all receiving waters/recipient.</i>	effluent treatment plant of the industrial park	effluent treatment plant of the industrial park
Water Volume Discharged: (m ³)	<ul style="list-style-type: none"> No information, not relevant. Not used for process(toilets only) 	<ul style="list-style-type: none"> No information, not relevant. Not used for process(toilets only)
Water Volume Recycled: (m ³)		
Total waste Produced <i>(please state units)</i>	850 kg	900kg until November 2019
Total hazardous waste Produced: <i>(please state units)</i>	N/A (they don't have that kind of waste, food grade lubricants)	N/A(they don't have that kind of waste, food grade lubricants)
Waste to Recycling: <i>(please state units)</i>	No information	No information
Waste to Landfill: <i>(please state units)</i>	No information (not relevant)	No information not relevant)
Waste to other: <i>(please give details and state units)</i>	N/A	N/A
Total Product Produced <i>(please state units)</i>	1337736Tn	1925448tn

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Healthy Grains SA conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice. The company has business ethics policy (anticorruption and anti bribery) and ethical code. The company meet the requirement for working in compliance with local and national laws. The company practice to all appropriate parties, including its own suppliers. The company has the anonymous reporting channel, mail codigo.etico@healthygrainssa.com.py

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

Details: business ethics policy, mails to suppliers, billboards, interviews

Any other comments:N/A

Non-compliance: Nothing to report

1. Description of non-compliance:

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

☐ NC against Local

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI/Additional elements requirement:

Comments:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- ☒ Internal Policy
☒ Policy for third parties including suppliers

A1: Please give details: business ethics policy POL 06

B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?

- ☒ Yes
☐ No

B1: Please give details: last training for all employees included sales, logistics, performed 2-12-2019

C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Annually
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Records were checked, Business ethics policy is communicates and indicates that the policy adheres

Other findings

Other Findings Outside the Scope of the Code
Nothing to report

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
<p>Healthy Grains S.A. collaborates and works together with the local government. Donations are made several times a year to schools in the locality of Luque and neighbors and to children's homes. It collaborates with food for the neighboring entity to the SOS Industrial Park Children's Village - Shelter and school for orphaned children where periodic donations are made.</p>

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p><input checked="" type="checkbox"/> Not Applicable please x</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
ETI 1. Forced Labour	ETI 1. Forced Labour
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.</p>	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
10. Other issue areas 10B2: Environment 2-Pillar	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements</p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

10C. Compliance Requirements

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

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

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

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

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

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








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

10C. Guidance for Observations

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

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

Photo Form

		
Entrance	Safety and health signs	Women lockers
		
Toilets	Canteen rest area	Mailbox available for reporting social issues in the changing room entrance
		
Water – hidratation available for all employees	Fire alarm and evacuation plan	Industrial park Entrance



For more information visit: [Sedexglobal.com](https://www.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:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

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



SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC: 408590677	Sedex Site Reference: (only available on Sedex System)	ZS: 408698826
Business name (Company name):	Healthy Grains S.A.		
Site name:	Healthy Grains S.A.		
Site address: (Please include full address)	Prof. Guillermo Leoz casi Moises Bertoni. Galpones N.S.A, Luque	Country:	PARAGUAY
Site contact and job title:	Jose Di Natale – Quality coordinator		
Site phone:	+595 994102154	Site e-mail:	audicalidad@healthygrainssa.com.py
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	16 & 17 December 2019		

Audit Company Name & Logo: 	Report Owner (payer): Healthy Grains S.A.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) 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):

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

Lead auditor: Florencia De Natale APSCA number: 21703355

Lead auditor APSCA status: Associate Social Compliance Auditor (ASCA)

Team auditor: N/A APSCA number: NA

Interviewers: Florencia De Natale APSCA number: 21703355

Report writer: Florencia De Natale

Report reviewer: Anjali KULKARNI

Date of declaration: 7th January 2020

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: 8 am Day 1 Time out: 5 pm	Day 2 Time in: 8 am Day 2 Time out: 12hs.	Day 3 Time in: N/A Day 3 Time out:
B: Number of auditor days used:	1,5 MD (+0,5 report)		
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 If other, please 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not Being a new company, a company in sedex did not know the importance of completing the SAQ		
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)	Andrea Nuñez- Quality Manager		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	No workers representatives. Do not have the minimum number of people required to have a delegate or worker representatives.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No union representatives. They don't have the minimum number of people required to have a delegate or union representative.		

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>
		Nothing to report	<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:						

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>
OB- Management systems	New	The SAQ was not available for review: the site should have completed the SAQ but it is new at sedex and was unaware that it should be done prior to the audit.// El SAQ no estaba disponible para revisión: el sitio debería haber completado el SAQ pero es nuevo en sedex y desconocía que debía realizarla previa a la auditoria.	The company is new in Sedex , so did not aware the perform the SAQ before the audit.	The company should perform the SAQ at the Sedex plataform.,

Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
	Nothing to report	

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:		Title Andrea Nuñez – Quality Manager Date 17-12-2019
B: Auditor Signature:		Title Florencia De Natale Date 17-12-2019
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:		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments:		



For more information visit: [Sedexglobal.com](https://www.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)

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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

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