

SMETA PLAN 2025



Safety & Compliance Officer;tnw
Twin City Produce of Springdale
3/1/2025

SMETA 4 Compliance Plan

Welcome to the Twin City Produce of Springdale (Twin City Produce, TCPS) Ethical Trade Policy. We partnered with Sedex and Primus to ensure our Policy and Procedures align with our customers' goals, as well as our personal goal to provide Safe Food, delivered by safe and healthy employees. To that end, our plan is classified as a Sedex Members Ethical Trade Audit (SMETA 4), which includes all audit pillars as outlined below:

Pillar 1: Labor Standards (SP1)

Labor standards ensure that all employees are treated fairly, work in safe conditions, and receive equitable pay. Twin City Produce upholds these standards through clear policies, regular training, and proactive compliance measures. This section provides in-depth details on policies, processes, and documented evidence of compliance.

Pillar 2: Health & Safety (SP2)

Health and safety measures ensure that all employees work in a secure environment, reducing workplace hazards and promoting well-being. Twin City Produce follows stringent guidelines for risk assessment, sanitation, and emergency preparedness.

Pillar 3: Environment ((SP3) - For 4-Pillar Audits Only)

Environmental management practices ensure that businesses operate sustainably, reducing their carbon footprint and waste production. Twin City Produce is committed to energy-efficient operations and responsible waste disposal.

Pillar 4: Business Ethics ((SP4) - For 4-Pillar Audits Only)

Ethical business practices protect against corruption, bribery, and unethical supplier relationships. Twin City Produce ensures ethical sourcing and transparent dealings in all aspects of its business.

SMETA is incorporated into our existing SQF Mod 9: Storage and Distribution Food Safety Plan. Our goal is to achieve maximum compliance. By streamlining and grouping overlapping regulations, we ensure greater comprehension, compliance, and success in our efforts. Where a Policy or Procedure fulfills multiple regulatory compliances, a reference number is included. A glossary of terms, referenced material, and documents is included at the end of this plan.

This Plan will be reviewed annually and each notification of regulatory compliance changes. This policy is endorsed by senior management and applies to all employees, contractors, and partners. The Food and Safety Compliance Manager is responsible for overseeing the implementation of this policy and ensuring ongoing compliance.

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Pillar 1:

Labor Standards

Pillar 1: Labor Standards

Description

Labor standards ensure fair treatment, safe working conditions, and equitable pay for employees. Twin City Produce of Springdale upholds these standards through clear policies, regular training, and proactive compliance measures.

Applicable Framework

- Universal Declaration of Human Rights (UDHR)
- International Labor Organization (ILO) Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ethical Trading Initiative (ETI) Base Code
- Local labor and employment laws

Twin City Produce is committed to ethical labor practices, and began documenting this commitment in 2022, as outlined on our website (<https://twincitynwa.com>) **Labor Ethics 2022** and **Sustainability & Compliance 2022**.

These policies ensure compliance with international labor standards and the Ethical Trading Initiative (ETI) Base Code. The company enforces clear policies on fair treatment, ethical sourcing, and labor conditions.

Twin City Produce of Springdale (TCPS) ensures that all employees receive documentation outlining their rights and responsibilities upon hiring, and routine compliance checks are performed to maintain adherence to these guidelines (See Appendix).

Pillar 1: Labor Standards Policy

Twin City Produce of Springdale ensures compliance with international labor standards through established policies covering fair wages, working hours, and workplace conditions. Employees receive documentation outlining their rights during onboarding, and compliance is maintained through quarterly audits. We are committed to upholding the human rights of workers and treating them with dignity and respect. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

1. Human Rights Policies & Procedures

- Establish a written human rights policy aligned with UDHR, ILO, and ETI standards.

This policy is based on the UDHR, ILO, and ETI standards. Where compliance already existed, we reference that policy and include it in its entirety in this Plan. Going forward, we will have one unified Policy with all SMETA and SQF compliance.

Extracted from SQF 9.0 Module 12 Policy: Includes detailed labor policies and ethical sourcing standards.

- Obtain senior management approval and ensure visibility across the organization.

The senior site manager approves this policy and procedures for its implementation. Not only is the senior site manager an active participant in the day-to-day activities, but he is also an example of compliance that all employees may follow. The Safety Compliance Officer/Manager is fully empowered to enforce and amend this policy and its related procedures at any such time it is required by law.

- Communicate policies to employees, suppliers, and stakeholders through training programs.

We maintain an ongoing annual and periodic training program for all employees, suppliers, and stakeholders. SMETA training is incorporated into our existing training program to ensure all employees receive the same information and compliance requirements.

2. Non-Discrimination & Equal Opportunity

- Implement a zero-tolerance policy against discrimination based on race, gender, age, disability, religion, ~~or sexual orientation~~.

Twin City Produce hires based on ability to perform the job. Our staff is myriads of people of varying ages, gender, and races.

- Ensure equal opportunities in recruitment, promotion, and compensation.

All job openings are publicly posted. Any employee may apply for any position for which they possess the skillset. All positions have beginning pay established with step increases for seniority, with pay increases for performance and certifications. Drivers with equal time on the job and performance receive equal pay. Office staff are paid based on duties. Those performing the same tasks requiring the same skillset receive the same pay.

- Establish a grievance mechanism for reporting discrimination and workplace bias.

Twin City permits employees to report to any manager regardless of chain of command any concerns regarding discrimination or bias with confidence in a documented resolution. Concerns are included in the monthly management review.

3. Freedom of Association & Collective Bargaining

While this is not a relevant policy for our small business, we do not prohibit any association or collective bargaining.

4. Forced & Child Labor Prevention

- Prohibit forced labor, bonded labor, and child labor in all operations.

No forced, underage, or bonded labor is used or permitted by Twin City Produce or any of our Suppliers.

- Implement strict age verification during hiring.

All employees must be at least 18 years of age seeking employment and must be at least 16 with a work permit for summer employment.

- Develop a remediation plan if underage workers are identified.

All applicants are required to provide a valid state-issued identification and/or valid driver's license if applying for a delivery position. Any employee found submitting false or altered documentation will face immediate termination.

5. Fair Wages & Working Hours

- Ensure all employees receive at least the legal minimum wage.

All employees receive at least the legal minimum wage.

- Provide pay slips detailing earnings, deductions, and overtime compensation.

Employees receive regular pay stubs, detailing earnings, deductions, and overtime compensation.

- Enforce working hour limits in compliance with ILO and local regulations.

Work hours comply with ILO, local, state and federal law.

6. Safe & Healthy Working Conditions

- Conduct periodic workplace risk assessments.

The Food Safety Coordinator or Practitioner complete a daily Pre-Operations/In-Process warehouse inspection, quarterly in-house audits, and unscheduled audits to ensure the safety of the workplace (**see Appendix: Pre-Op/In-Process**).

- Provide free Personal Protective Equipment (PPE) and ensure proper usage.
- Maintain emergency exits, fire safety measures, and medical response teams.

7. Data Protection & Employee Privacy

- Implement data privacy policies in compliance with GDPR or local regulations.
- Store and manage employee personal data securely.
- Obtain written consent before collecting or processing personal data.

8. Grievance Mechanism & Whistleblower Protections

- Establish a confidential and anonymous reporting system for grievances.
- Protect whistleblowers from retaliation or job termination.
- Investigate and resolve grievances in a timely and transparent manner.

9. Ethical Recruitment & Migrant Worker Rights

- Conduct due diligence on labor agencies and suppliers.
- Prohibit charging recruitment fees to workers.
- Provide employment contracts in a language the worker understands.

10. Business Ethics & Anti-Corruption

- Develop a corporate ethics policy prohibiting bribery, fraud, and corruption.
- Conduct regular employee training on ethical business practices.
- Implement transparent procurement and financial reporting systems.

Why This Matters

Ensuring **fair treatment, ethical sourcing, and proper labor conditions** helps businesses build a strong reputation, reduce legal risks, and create a **positive, productive workplace**. When workers are treated fairly, they **perform better**, stay longer, and contribute to a **healthier work culture**.

Pillar 1: Labor Standards Procedure and Verification

Procedure Instructions: Each year and upon notice of regulatory change, review the policy against our procedure and actual practices to ensure we remain aligned with the current requirements.

Where our company exceeds the requirement, indicate so in the appropriate sub-section. Areas where we fall short, complete a root-cause analysis and recommendation for improvement. Include the results of the review and any recommendations in the corresponding month's Management Review conducted for the Food Safety Plan.

The company enforces clear policies on fair treatment, ethical sourcing, and labor conditions. To ensure something is or is not happening, it is important to have universal understanding of terms:

Key Definitions & Examples in Layman's Terms

1. Fair Treatment	2. Ethical Sourcing	3. Labor Conditions
Fair treatment means treating all workers with respect, dignity, and equality, regardless of their background. It ensures no discrimination, harassment, or unfair penalties in the workplace.	Ethical sourcing means making sure that the products a company buys or uses are made in safe, fair, and legal conditions. This applies to raw materials, factories, and suppliers in the supply chain.	Labor conditions refer to the physical and social environment in which workers operate. It includes wages, hours, safety, and overall treatment of employees.
Equal Pay for Equal Work Pay men and women the same wage for the same job. No Discrimination in Hiring Hires based on skills and qualifications, not on gender, age, or race. Safe/Respectful Workplace Employees work without fear of bullying, threats, or harassment. Transparent Promotions Workers advance based on performance, not favoritism.	No Child Labor Ensure that all its suppliers only hire workers of legal age. Fair Wages for Workers Buy from farms that pay fair wages to farmers. Safe Working Conditions Inspect its factories to ensure workers have safety gear and clean environments. Environmental Responsibility Source materials without harm to forests, water, or local communities.	Legal Working Hours Employees are not forced to work more than 48 hrs./ week and receive proper breaks. Safe Workplace Have fire exits, protective equipment, and no hazardous materials. Regular & Fair Pay Workers receive their full wages on time, including overtime pay if they work extra hours. Freedom to Speak Up Employees can report problems (like unsafe conditions) without fear of losing their job.

Pillar 1: Labor Standards Implementation Strategies

1. Conduct Regular Audits

- Utilize SMETA and ETI compliance audits to assess human rights adherence.
- Review internal operations and external suppliers' compliance.

2. Employee Training & Awareness

- Develop mandatory training programs on human rights, workplace safety, and anti-discrimination policies.
- Provide training materials in multiple languages for diverse workforces.

3. Supply Chain Monitoring

- Require ethical sourcing policies from suppliers and third-party contractors.
- Implement compliance checklists and annual supplier audits.

4. Maintain Accurate Documentation

- Keep employee contracts, payroll records, and training logs updated.
- Maintain incident reports, risk assessments, and safety audits.

5. Encourage Worker Engagement

- Conduct employee feedback surveys to assess workplace conditions.
- Organize regular meetings with supervisors and managers to address concerns.

ETI Code Compliance

The Ethical Trading Initiative (ETI) Code is a set of internationally recognized labor standards based on the conventions of the International Labor Organization (ILO). It is adopted by global supermarket chains, distributors, and buyers to ensure ethical and fair labor practices within supply chains.

Key Principles of ETI Code Compliance

The ETI Base Code consists of the following core principles:

1. **Employment is freely chosen** – No forced or bonded labor.
2. **Freedom of association and the right to collective bargaining** – Workers can form and join trade unions.
3. **Safe and hygienic working conditions** – Work environments must be safe, with proper measures in place.
4. **Child labor is not used** – No employment of workers under the legal minimum age.
5. **Legal wages are paid** – Employees must receive at least the legal minimum wage.
6. **Working hours are not excessive** – Working hours must comply with legal and ILO limits.
7. **No discrimination** – Equal opportunities regardless of gender, ethnicity, or other factors.
8. **Regular employment is provided** – Workers must have proper contracts and job security.
9. **No harsh or inhumane treatment** – No abuse, harassment, or intimidation.

Pillar 1: Labor Standards Steps to Ensure Continuous ETI Code Compliance

1. **Conduct Regular SMETA Audits** – Follow **Sedex Members Ethical Trade Audit (SMETA)** guidelines to assess workplace complianceSedex Supplier Manual S....
2. **Employee Training** – Conduct **ongoing training** on workplace rights, safety, and ethical practicesSMETA 7.0 Member Manual....
3. **Supplier Due Diligence** – Ensure **subcontractors and suppliers** also comply with ETI standardsSCL-003 R3 Required doc....
 - a. Supplier Management
4. Suppliers are vetted to ensure ethical sourcing standards are met. Contracts include compliance clauses mandating adherence to labor standards.
5. Proof: Supplier contracts, audit logs, and third-party verification reports.
6. **Maintain Transparent Records** – Keep **employee files, payroll, working hours, and safety logs** updated for auditsSCL-003 R3 Required doc....
7. **Encourage Worker Feedback** – Establish **anonymous suggestion boxes and whistleblower protections**Sedex Supplier Manual S....

By integrating these practices, companies can **demonstrate ETI Code compliance, improve workplace conditions, and enhance social responsibility across their supply chain.** 🚀

How Twin City Produce of Springdale fulfills ETI Compliance Requirements

We demonstrate adherence through proper policies, procedures, and continuous monitoring.

1. Employment is Freely Chosen

- 1.1. No employee is **forced to work** or under bonded labor agreements. Employees complete standard Job Applications and when hired, agree to standard workplace policies, with the freedom to resign at any time.
- 1.2. We never hold or confiscate any **workers' passports, IDs, or deposits**. Employees provide proof of ID, Driver's license, and social security in compliance with employment law.
- 1.3. All work permits are verified, and employees are covered under appropriate insurance policies.
- 1.4. All employees freely work, resign, and even a few, return to Twin City Produce of Springdale (non-disciplinary separations are welcome to return during any job hiring season) and all receive their full wages.
- 1.5. Further, Twin City Produce of Springdale, actively pays employees bonuses. To ensure employees receive their full bonuses, the company covers all taxes – employee and employer- on all bonus checks.

✦ **Proof:** Screenshot from QuickBooks. ID information is entered and copies attached. Originals never held. Timeclock records, annual pay records.

2. Freedom of Association & Collective Bargaining

- 2.1. Allow workers to form or join **unions** freely. Twin City Produce, with fewer than 30 employees, does not operate under a union structure. However, employees have direct access to the owner and management for issue resolution, ensuring transparent communication and immediate problem-solving. As a small company, our management works across departments, interacting with all employees. Direct cell phone numbers to all management and supervisors is prominently displayed throughout the warehouse to ensure all employees have unfretted access to management.
- 2.2. We provide a **structured grievance mechanism** for workplace concerns. And employees are free to choose which manager/supervisor they bring their concerns to.
- 2.3. Though we do not have a formal union structure, if we did we would ensure fair elections and recognition of **worker representatives**. At this time, a single or group of employees may present any concerns to management with the expectation of a resolution without fear of retaliation.

✦ **Proof:** Monthly management review tracks employment and employee performance and satisfaction. When an issue is presented, it is documented with a plan of action developed. The process is documented in our SQF 2.0 Policy and Procedure (list location)

3. Safe and Hygienic Working Conditions

- 3.1. Routine risk assessments are conducted and documented on the Pre-Operations/In-Process Checklist. The checklist is now digital with a process for reporting any non-conformance (link to report).
- 3.2. TCPS provides all necessary **Personal Protective Equipment (PPE)** at no cost to employees, including uniforms at no cost.
- 3.3. TCPS maintain **emergency exits, fire drills, and medical support.**

✦ **Proof:** Fire safety equipment is routinely inspected as part of our Food Safety Plan. Employees are trained on fire drills and maintains an **emergency response team** as part of our Crisis Management/Contingency Plan (List Plan).

4. No Child Labor

- 4.1. We implement **strict age verification** for all hires and verify with state issued identification.
- 4.2. We maintain **documentation proving all workers are of legal age** by attaching a scanned copy of the identification or entering its number and expiration.
- 4.3. We do not provide any company housing.

✦ **Proof:** QuickBooks Desktop Employee Center and Payclock documentation.

5. Legal Wages Are Paid

- 5.1. We ensure workers receive **at least the national minimum wage.**
- 5.2. We provide **clear pay slips** with itemized deductions and benefits.
- 5.3. We pay **overtime at legal or contractual premium rates.**

✦ **Example:** A company ensures **workers receive payslips in their native language**, detailing wages, overtime, and deductionsSMETA 7.0 Member Manual....

6. Working Hours Are Not Excessive

- 6.1. Adhere to the **48-hour maximum workweek** (ILO standard).
Time tracking is maintained through an electronic logging system, ensuring compliance with labor laws.
- 6.2. Ensure **overtime is voluntary** and fairly compensated.
- 6.3. Maintain **accurate attendance and working hour records.**

✦ **Proof:** Electronic attendance records, payroll reconciliation logs.

7. No Discrimination

- 7.1. Twin City Produce enforces a strict anti-discrimination policy covering hiring, promotions, and workplace conduct. Each position has a clear job description outlining responsibilities and expectations.
- 7.2. Train HR and managers in **anti-discrimination and diversity awareness**.
- 7.3. Establish a **confidential reporting mechanism** for discrimination cases.

✦ **Proof:** Employee job descriptions, training materials, and HR onboarding packets (See Employee Packet).

8. Regular Employment is Provided

- 8.1. We provide **employee handbooks** outlining employment terms and re-affirm at annual training.
- 8.2. We have no **zero-hour contracts** or excessive use of temporary labor.
- 8.3. We ensure **worker benefits such as health insurance**.

✦ **Proof:** Employee job descriptions, training materials, and HR onboarding packets. Employees sign detailed contracts outlining wages, benefits, and working conditions.

9. No Harsh or Inhumane Treatment

- 9.1. We have a **zero-tolerance policy** on harassment and abuse.
- 9.2. We provide **training on respectful workplace behavior**.
- 9.3. We have an **anonymous grievance reporting system**.

✦ **Proof:** Any employee with a grievance within their chain of command may report that to a manager or supervisor, HR manager, or the Safety Compliance Officer. They will remain anonymous upon request. If they are seeking a resolution or a solution to an existing problem and wish to be part of the solution, they are invited and encouraged to do so. This is documented on the monthly management review.

Pillar 1: Labor Standards Verification Steps

Verification Instructions: Each year and upon notice of regulatory change, document your review actions on the HACCP Annual Validation and Verification Matrix (. the policy against our procedure and actual practices to ensure we remain aligned with the current requirements.

Where our company exceeds the requirement, indicate so in the appropriate sub-section. Areas where we fall short, complete a root-cause analysis and recommendation for improvement. Include the results of the review and any recommendations in the corresponding month's Management Review conducted for the Food Safety Plan.

The company enforces clear policies on fair treatment, ethical sourcing, and labor conditions. To ensure something is or is not happening, it is important to have universal understanding of terms:

Twin City ensures that all employees receive documentation outlining their rights and responsibilities upon hiring, and routine compliance checks are performed to maintain adherence to these guidelines (See Appendix).

Supporting Documentation:

- SQF 9.0 Module 12 Policy: Compliance checklists and corrective action logs.
- Supplier audit logs from Twin City Produce's vendor compliance program.
- Employee acknowledgment forms
- Payroll and timekeeping records
- Training logs and attendance records
- Safety audit reports
- Grievance and complaint logs

Human Rights Compliance

- Maintain updated policies and obtain employee acknowledgments.
- Ensure alignment with international labor laws.
- Provide training on human rights policies to all employees.

Non-Discrimination & Equal Opportunity

- Monitor hiring, promotions, and pay practices.
- Investigate and document discrimination complaints.
- Conduct regular diversity and inclusion training.

Pillar 1: Labor Standards Conclusion

Ensuring compliance with Universal Human Rights principles strengthens corporate responsibility, enhances workplace conditions, and aligns businesses with international labor standards. Implementing these practices fosters an ethical, legally compliant, and socially responsible work environment.

Proof: Documented compliance checks, employee handbooks, audit logs, and management reviews.

Pillar 1: Labor Standards Supporting Documentation:

- SQF SE 2.0 Procedures 2024: Workplace safety procedures and compliance verification methods.
 - SQF 9.0 SE 2.0 Policy 2024: Regulatory audit requirements and training documentation.
 - Review policies annually and upon regulatory changes.
 - Conduct internal compliance audits quarterly.
 - Address any deficiencies through root-cause analysis and corrective actions.
 - Incorporate labor standards review into monthly management reviews.
-

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Contact Information: For questions or ethical concerns, please contact the Ethics and Compliance Manager at [safetycompliance@twincitynwa.com / 479-283-3543.

Pillar 2:

Health & Safety

Pillar 2: Health & Safety

Pillar 2 of SMETA (Sedex Members Ethical Trade Audit) focuses on Health & Safety Standards. It ensures that workplaces provide a safe, hygienic, and legally compliant environment for workers. Compliance with Pillar 2 requires proactive risk management, emergency preparedness, hygiene protocols, and continuous safety monitoring.

Applicable Framework

- Occupational Safety and Health Administration (OSHA) Standards
- International Labor Organization (ILO) Guidelines on Occupational Safety

Key Terminology:

1. Risk Assessment

- a. A process of identifying potential dangers in the workplace and putting measures in place to reduce risks.

2. Emergency Drill

- a. A practice run to ensure employees know what to do in case of a fire or other emergencies.

3. Sanitation Compliance

- a. Ensuring cleanliness and hygiene in food storage areas to prevent contamination.

4. PPE (Personal Protective Equipment)

- a. Clothing or gear that workers wear to stay safe, such as gloves, masks, and high-visibility vests.

5. Incident Report

- a. A documented record of any accident, injury, or unsafe situation in the workplace.

Workplace Safety & Risk Management Conduct regular risk assessments for storage areas, checking temperature controls, forklift operation safety, and ensuring clear walkways.	Emergency Preparedness & Response Test Fire Extinguishers, Routine Fire drills, ensure marked emergency exits, and trained first-aid responders available during all shifts.
Hygiene & Sanitation Access to various handwashing stations before food storage entry points, restrooms are cleaned regularly and verifying proper disposal of organic waste and expired products.	Medical & Occupational Health Conducting annual health screenings for employees handling fresh produce and ensuring proper ergonomic lifting techniques for warehouse workers.
Safe Work Hours & Fatigue Prevention Monitoring work schedules to ensure no more than 48-hour work weeks ¹ , allowing sufficient breaks, and rotating physically demanding tasks to prevent injuries.	Personal Protective Equipment (PPE) Providing and enforcing the use of gloves, hairnets, and protective clothing for employees handling food products, and ensuring high-visibility vests for warehouse staff.
Incident Reporting & Investigation Establishing a system for employees to report safety hazards anonymously and conduct thorough investigations of workplace accidents to prevent recurrence.	

¹ Unless requested or accepted. Never a condition of employment.

Pillar 2: Health & Safety Policy & Guidelines

TCPS is committed to the Health and Safety of our employees. The Policy in place is to ensure the safety of all employees. We remember to:

1. Follow established safety procedures to maintain a safe workplace.
2. Conduct regular safety inspections in storage and distribution areas.
3. Post and practice emergency evacuation procedures.
4. Provide training on PPE use and sanitation compliance.
5. Investigate and address workplace accidents promptly.

This means:

1. All employees must follow the company's established safety procedures to maintain a safe working environment.
2. Regular inspections must be conducted in storage and distribution areas to identify and eliminate potential hazards.
3. Emergency evacuation procedures must be clearly posted and practiced through scheduled fire and emergency drills.
4. Employees must receive training on the proper use of Personal Protective Equipment (PPE) and compliance with sanitation requirements.
5. Incident reporting must be encouraged, and any workplace accidents must be investigated promptly with corrective actions taken.
6. Workers must have access to clean drinking water, sanitation facilities, and proper breaks during their shifts.

Pillar 2: Health & Safety Procedure Guidelines

- 1. Conduct regular workplace safety audits and risk assessments.**
 - 1.1.1. Regular safety audits are conducted to mitigate risks. Employees undergo mandatory health and safety training.
 - 1.1.2. Proof: Pre-Op/Internal Audits, employee safety training logs.
- 2. Schedule and conduct emergency drills twice a year.**
 - 2.1.1. Fire drills and emergency response training sessions are conducted regularly.
 - 2.1.2. Proof: Crisis Management Plan, employee training records.
- 3. Ensure all employees receive training on workplace safety and hygiene.**
 - 3.1.1. Employees are trained in sanitation procedures, equipment operation, and emergency protocols.
 - 3.1.2. Proof: Training logs, competency assessments.
- 4. Verify that PPE is available and properly used by all employees handling food products.**
 - 4.1.1. Equipment and facilities follow a structured food handling SOP to maintain hygiene standards.
 - 4.1.2. Proof: SQF 12 Procedures.
- 5. Establish a sanitation checklist to ensure all areas meet hygiene standards.**
 - 5.1.1. Equipment and facilities follow a structured sanitation schedule to maintain hygiene standards.
 - 5.1.2. Proof: Cleaning logs, sanitation verification reports.
- 6. Set up a no-penalty reporting system for employees to flag safety hazards.**
 - 6.1.1. Employees have a no-penalty reporting system by reporting directly to the Practitioner, whose number is posted throughout the warehouse.
 - 6.1.2. Proof: Signage, monthly management review.
- 7. Monitor employee work hours to prevent excessive fatigue and promote safety.**
 - 7.1.1. Work hours are monitored daily, weekly, and bi-weekly to ensure there is no excessive fatigue and ensure safety.
 - 7.1.2. Proof: Time logs.
- 8. Review all incident reports and take corrective actions where necessary.**
 - 8.1.1. All incidents reported and identified are addressed and through corrective action when necessary.
 - 8.1.2. Proof: Employment History, monthly management review.

Pillar 2: Health & Safety Key Verification Steps

Verification Instructions: Each year and upon notice of regulatory change, document your review actions on the HACCP Annual Validation and Verification Matrix (the act of comparing our policy against our procedure and actual practices to ensure we remain aligned with the current requirements).

Where our company exceeds the requirement, indicate so in the appropriate sub-section. Areas where we fall short, complete a root-cause analysis and recommendation for improvement. Include the results of the review and any recommendations in the corresponding month's Management Review conducted for the Food Safety Plan.

The company enforces clear policies on Health and Safety. To ensure something is or is not happening, it is important to have universal understanding of terms:

- Ensure PPE distribution and proper usage tracking.
- Conduct employee surveys on workplace safety concerns.
- Maintain logs of safety drills and compliance audits.

Supporting Documentation

- Safety training logs
- Incident reports
- Equipment inspection records
- Emergency drill logs
- Compliance audit reports

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Pillar 3:

Environment

Pillar 3: Environment (For 4-Pillar Audits Only)

Description

Environmental management practices ensure businesses operate sustainably, reducing their carbon footprint and waste production.

Applicable Framework

- ISO 14001: Environmental Management System Standards

Pillar 3: Environment Policy Guidelines

Our policy is strategically aligned with ISO 14001:

- 3.1. The company implements waste reduction programs.
- 3.2. The company implements energy efficiency initiatives.
- 3.3. The company implements water conservation efforts.
- 3.4. The company implements carbon emission reduction through efficient energy usage.
- 3.5. The company monitors supplier's compliance with environmental policies through our Supplier Approval Program.

Proof: Sustainability reports, utility tracking logs, and environmental compliance audits.

Pillar 3: Environment Procedure Guidelines

1. Conduct regular environmental impact assessments.
2. Monitor waste generation and implement reduction strategies.
3. Track energy consumption and apply efficiency measures.
4. Train employees in sustainable business practices.
5. Ensure supplier contracts include environmental responsibility clauses.
 1. The company implements waste reduction programs.
 2. The company implements energy efficiency initiatives.
 3. The company implements water conservation efforts.
 4. The company implements carbon emission reduction through efficient energy usage.
 5. The company monitors supplier's compliance with environmental policies through our Supplier Approval Program.

Proof: Sustainability reports, utility tracking logs, and environmental compliance audits.

Pillar 3: Environment Policy

Purpose

This Sustainability Policy outlines our commitment to environmentally responsible practices in our produce storage and distribution operations. Our goal is to minimize environmental impact, promote sustainable resource use, and ensure compliance with relevant environmental laws and standards, including SMETA 7.0 requirements.

1. Environmental Impact Assessments

We conduct regular environmental impact assessments to identify and address the environmental risks associated with our operations. These assessments cover:

- Carbon footprint analysis for transportation and refrigeration.
- Wastewater and runoff management to prevent contamination.
- Energy efficiency evaluations for cold storage facilities.
- Monitoring packaging waste and promotion of recyclable materials.

2. Waste Generation Monitoring and Reduction

We are committed to reducing waste through:

- Segregation of waste into recyclables, organics, and general waste.
- Implementation of composting programs for organic waste, partnering with local farms or composting facilities.
- Establishing food donation programs to divert edible food waste to local food banks.
- Utilizing technology to optimize inventory management and minimize spoilage.

3. Energy Efficiency Measures

To reduce energy consumption, we:

- Upgrade to energy-efficient refrigeration units and implement temperature optimization controls.
- Use motion-sensor LED lighting in warehouses and storage areas.
- Improve HVAC systems with smart controls and enhanced insulation.
- Encourage off-peak energy use for non-essential operations.
- Explore renewable energy options, such as solar panels.

4. Employee Training

Our employees are essential to our sustainability efforts. We provide training on:

- Proper waste sorting and handling to ensure efficient recycling and waste reduction.
- Energy-saving practices, including responsible equipment use and maintenance.

- Safe chemical handling to prevent environmental contamination.
- Sustainable transportation options, including carpooling incentives.

5. Supplier Environmental Responsibility

We require our suppliers to adhere to high environmental standards by:

- Including environmental responsibility clauses in all supplier contracts.
- Partnering with suppliers who provide certifications for sustainable farming and ethical sourcing.
- Using logistics providers with fuel-efficient or electric vehicles.
- Ensuring packaging materials are recyclable, compostable, or reusable.

6. Compliance and Continuous Improvement

We will:

- Stay updated with local, regional, and national environmental laws and ensure compliance.
- Monitor environmental performance through regular audits and reporting.
- Set and review measurable targets for waste reduction, energy efficiency, and resource management.
- Foster a culture of continuous improvement by encouraging feedback and innovation from employees and stakeholders.

Accountability

This policy is endorsed by senior management and applies to all employees, contractors, and partners. The Environmental Manager is responsible for overseeing the implementation of this policy and ensuring ongoing compliance.

Review

This policy will be reviewed annually to ensure it remains relevant and effective in achieving our sustainability goals.

Approved by: [Name] [Title] [Date]

Contact Information: For questions or suggestions regarding this policy, please contact the Environmental Manager at [contact email/phone].

Pillar 3: Environment Procedure

1. Conduct Regular Environmental Impact Assessments

- Perform carbon footprint analysis for transportation and refrigeration systems.

At initial assessment, and at each year's review, confirm fleet details and model's evaluation for emissions. As part of the Food Safety Plan, maintenance records are tracked by vehicle. Ensure all vehicles and equipment are maintained.

Any vehicles or equipment whose classification has changed or is identified as creating a "large carbon footprint" create suggestions for its replacement or reduced use.

- Assess wastewater and runoff management to prevent contamination of local water sources.

The warehouse uses NVIROCLEAN and NVIROCLEAN socks around all drains during vehicle washing, warehouse cleaning with any detergents to minimize the risk of contamination.

Check the maintenance log and orders to ensure the products are being used and used correctly.

- Monitor packaging waste and assess the feasibility of switching to biodegradable or recyclable materials.

Most receiving now arrives in branded reusable packaging. Ensure that branded packaging is returned to the vendors in a timely manner, that cardboard, plastic, and packaging are properly recycled.

Review the monthly waste management to ensure it is fiscally and environmentally stable. Any spikes require an analysis and any reductions, acknowledgement to determine if a new procedure is effective and if testing, establishing a formal change to the SOP to include the new procedure that is reducing our waste.

- Evaluate the energy efficiency of cold storage facilities and explore solar power options.

In our present building, lighting was switched to energy efficient bulbs years ago as part of our Food Safety Plan, which also tracks certain emissions. However, to ensure complete compliance, all pillars are added to the monthly management review.

2. Monitor Waste Generation and Implement Reduction Strategies

- Track and analyze organic waste, such as spoiled produce, and partner with composting facilities or local farms for repurpose.

We currently work with local farmers to repurpose produce "not pretty" enough for retail. Providing produce to farmers drastically reduces food waste, organic gas from food waste, pests, and overall waste creation.

- Implement waste segregation programs to separate recyclables, organics, and general waste.

We currently have a segregation program that isolates produce for sale, for farm, and for dump; and our general waste: recyclable and garbage. By segregating a waste by bin, employees are able to easily categorize waste and its transport and/or disposal.

- Utilize technology to optimize inventory and reduce overstock, preventing unnecessary spoilage.

Our QuickBooks tracks our inventory. We perform weekly reviews to ensure our numbers balance with Inventory Received, Inventory Sold, Inventory Dumped/Farmed, and Inventory on Hand. By actively monitoring these numbers and sales trends, we adjust our orders by need and demand, reducing overstocking, spoilage, and ultimate waste.

- Establish food donation programs with local food banks to divert edible food waste from landfills.

We partner with several food banks, churches that sponsor food banks, and schools who may solicit donations throughout the year. Whenever a surplus exists, we contact these organizations prior to spoilage for additional pickups.

3. Track Energy Consumption and Apply Efficiency Measures

- Upgrade to energy-efficient refrigeration units with temperature optimization controls.
- Install motion-sensor LED lighting in warehouses and storage areas.

There is motion sensor LED lighting throughout the warehouse and controlled lighting within the coolers.

- Implement smart HVAC and insulation improvements to reduce heating and cooling costs.
- Encourage off-peak energy use for non-essential operations to reduce strain on the power grid.

4. Train Employees in Sustainable Business Practices

- Provide training on proper waste sorting and handling to minimize contamination of recyclables.

Our employees are trained on proper segregation program that isolates produce for sale, for farm, and for dump; and our general waste: recyclable and garbage. By segregating a waste by bin, employees are able to easily categorize waste and its transport and/or disposal.

- Educate staff on energy-saving practices, such as closing refrigeration doors promptly and reducing idle times for equipment.

Our employees are trained to close refrigeration doors behind them, and stage vehicles without idling for loading.

- Train workers on safe chemical handling to prevent environmental contamination from spills.

Our Cleaning and Sanitation Program requires all employees who handle chemicals are trained in the proper use and cleanup of all chemical or food spills, broken glass, or related.

5. Ensure Supplier Contracts Include Environmental Responsibility Clauses

- Require suppliers to provide certifications for sustainable farming and ethical sourcing.

Our Supplier Approval Program requires a large primary supplier to provide evidence of Food Safety Compliance, which includes Food Fraud and Food Defense. These elements ensure that the products are sourced responsibly and legally. We recently amended our application (2023) to require certification from all Suppliers (**see Appendix: Supplier's Application**).

- Work with packaging suppliers to provide recyclable, compostable, or reusable materials for shipping.

Most receiving now arrives in branded reusable packaging. These branded packaging are returned to the vendors in a timely manner. Most products are shipped directly in its original packaging, with less than 20% of orders requiring additional cardboard or plastic.

Pillar 3: Environment Key Verification Steps

Verification Instructions: Each year and upon notice of regulatory change, document your review actions on the HACCP Annual Validation and Verification Matrix (the act of comparing our policy against our procedure and actual practices to ensure we remain aligned with the current requirements).

Where our company exceeds the requirement, indicate so in the appropriate sub-section. Areas where we fall short, complete a root-cause analysis and recommendation for improvement. Include the results of the review and any recommendations in the corresponding month's Management Review conducted for the Food Safety Plan.

The company enforces clear policies on Environmental Compliance. To ensure something is or is not happening, it is important to have universal understanding this means:

- Track waste disposal and recycling rates.
- Track energy use and reduction activities.
- Track water use and reduction activities.
- Conduct internal audits on energy efficiency initiatives.
- Verify supplier compliance with environmental policies.

Supporting Documentation

- Monthly Management Review
- Quarterly Utility tracking logs
- Recycling and waste management records
- Supplier sustainability compliance review
- Employee sustainability training records

Prepared by:

Tiffany Webb, Food & Safety Compliance

Date

Approved by:

Travis Sharum, Senior Site Manager/Owner

Date

Contact Information: For questions or ethical concerns, please contact the Ethics and Compliance Manager at [safetycompliance@twincitynwa.com / 479-283-3543.

Pillar 4:

Business Ethics

Pillar 4: Business Ethics (For 4-Pillar Audits Only)

Description

Ethical business practices protect against corruption, bribery, and unethical supplier relationships. Twin City Produce ensures ethical sourcing and transparent dealings in all business aspects.

Applicable Framework

UN Convention Against Corruption (UNCAC). What is the UNCAC?

The **UN Convention Against Corruption (UNCAC)** is a comprehensive international treaty adopted by the **United Nations General Assembly in 2003** to combat corruption globally. It is the **first legally binding international anti-corruption instrument** and has been ratified by over **180 countries**.

Key Objectives of UNCAC:

Preventing Corruption – Encourages nations to establish anti-corruption bodies, implement transparency measures, and promote integrity in public and private sectors.

Criminalization and Law Enforcement – Requires states to criminalize bribery, embezzlement, money laundering, and obstruction of justice.

International Cooperation – Facilitates extradition, mutual legal assistance, and information exchange between countries to combat transnational corruption.

Asset Recovery – Helps nations recover stolen assets and return them to the rightful owners, often focusing on assets stolen by corrupt officials.

Technical Assistance and Information Exchange – Encourages nations to share best practices, provide technical support, and build capacities for fighting corruption.

Why It Matters?

Provides a **global framework** to fight corruption at national and international levels.

Encourages **public sector integrity** and **private sector accountability**.

Supports **transparency in governance, public procurement, and financial management**.

Helps countries **recover illicit funds** hidden abroad.

Strengthens **law enforcement cooperation** against corruption-related crimes.

UNCAC is monitored by the **UN Office on Drugs and Crime (UNODC)**, which helps implement the treaty and conducts peer reviews to assess compliance.

Pillar 4: Business Ethics Procedure Guidelines

1. Conduct regular ethics and compliance audits.
2. Implement a supplier vetting and monitoring process.
3. Train employees in ethical standards and anti-corruption policies.
4. Establish clear financial reporting practices and procurement oversight.
5. Incorporate review ethical concerns into the Monthly management review.

Pillar 4: Business Ethics Key Verification Steps

- Track and log compliance training completion.
- Review supplier contracts for adherence to ethical clauses.
- Conduct regular internal financial and procurement audits.
- Monitor and document ethical violations reported and the resolutions.

Supporting Documentation

- Ethics training logs
 - Supplier compliance reports
 - Internal audit findings
 - Financial transparency reports
 - Whistleblower case logs
-

Pillar 4: Business Ethics Policy Guidelines

1. Corporate Ethics Policy

We uphold a strict corporate ethics policy that prohibits:

- Bribery, fraud, and corruption in any form.
- Conflicts of interest that could compromise decision-making.
- Unethical business practices that will undermine fair competition.

2. Transparency in Procurement and Financial Reporting

To maintain financial and operational integrity, we:

- Implement transparent procurement processes ensuring fair supplier selection.
- Require accurate and timely financial reporting, compliant with regulations.
- Maintain detailed financial records for accountability and audit purposes.

3. Supplier Ethical Compliance

We expect all suppliers and business partners to adhere to our ethical standards by:

- Including ethical compliance clauses in all supplier contracts.
- Requiring suppliers to certify compliance with anti-bribery and corruption laws.
- Conducting periodic audits to ensure supplier adherence to ethical business practices.

4. Employee Training and Ethical Decision-Making

We provide employees with training and resources to:

- Recognize and report unethical behavior.
- Understand anti-fraud and anti-corruption laws.
- Make ethical decisions aligned with our corporate values.

5. Anonymous Reporting Mechanism

To encourage ethical accountability, we:

- Maintain a confidential and anonymous reporting system for employees and stakeholders.
- Protect whistleblowers from retaliation for reporting ethical concerns.
- Investigate and address all reported concerns promptly and fairly.

6. Compliance and Continuous Improvement

We commit to:

- Regularly reviewing and updating this policy to reflect evolving legal and industry standards.
- Conducting periodic internal audits to assess ethical compliance.
- Encouraging feedback from employees and partners to strengthen ethical culture.

Pillar 4: Business Ethics Procedures

These procedures outline the implementation of our Business Ethics Policy, ensuring ethical operations across all business activities, providing clear guidelines for preventing, identifying, and addressing unethical practices in accordance with our SQF Food Safety and SMETA 7.0 Pillar 4: Business Ethics.

1. Anti-Bribery, Fraud, and Corruption Prevention

1.1 Policy Communication

- All employees receive a copy of the Business Ethics Policy upon hiring. When a new employee is hired, check off they received the Employee Handbook.
- Annual refresher training is conducted to reinforce ethical expectations.
- Employees sign an Ethics Acknowledgment Form confirming their understanding and commitment.

1.2 Risk Identification and Prevention

- Conduct **annual risk assessments** to identify vulnerabilities in procurement, financial transactions, and supplier interactions.
- Establish **segregation of duties** in financial transactions to prevent fraudulent activities.
- Require dual authorization for high-value purchases and payments.

1.3 Reporting and Investigation

- Employees must report suspected bribery or fraud via:
 - **Anonymous reporting hotline**
 - **Secure email to the Ethics and Compliance Manager**
 - **Direct reporting to supervisors**
 - Investigations are initiated within **48 hours** of a report being filed.
 - Findings and corrective actions are documented and stored securely.
-

2. Transparency in Procurement and Financial Reporting

2.1 Vendor Selection and Approval

- All new suppliers undergo an **Ethical Due Diligence Review** before approval.
- Require suppliers to sign an **Ethical Compliance Agreement** aligning with our anti-bribery and integrity standards.

2.2 Financial Integrity

- Maintain **detailed records** of all financial transactions for transparency and accountability.
 - Conduct **quarterly internal audits** to verify compliance with ethical and financial regulations.
 - Any discrepancies are reported to the **Ethics and Compliance Manager** and reviewed by senior leadership.
-

3. Supplier Ethical Compliance Monitoring

3.1 Contract Requirements

- All supplier contracts must include clauses prohibiting **bribery, fraud, forced labor, and unethical business practices**.
- Contracts are reviewed annually to ensure compliance with evolving regulations.

3.2 Ongoing Supplier Audits

- Conduct **random and scheduled audits** to assess ethical compliance.
 - If non-compliance is found, suppliers are required to implement a **Corrective Action Plan (CAP)** within **30 days**.
 - Non-compliant suppliers may be subject to contract termination.
-

4. Employee Training in Ethical Decision-Making

4.1 Mandatory Training Programs

- Ethics and compliance training is conducted **biannually**.
 - Employees in high-risk positions (procurement, finance, management) undergo **specialized ethics training**.
 - Training covers:
 - Recognizing and preventing bribery, fraud, and corruption.
 - Ethical decision-making in procurement and financial transactions.
 - Reporting procedures and whistleblower protection.
-

5. Anonymous Reporting and Whistleblower Protection

5.1 Reporting Mechanisms

- Employees, suppliers, and stakeholders can report concerns through:
 - **Anonymous hotline** managed by a third party.
 - **Ethics and Compliance Manager's confidential email.**
 - **Secure drop box located on-site.**

5.2 Investigation Process

- Reports are reviewed within **48 hours**.
 - Investigations are conducted discreetly, ensuring **confidentiality and non-retaliation**.
 - Corrective actions are implemented within **30 days**, with continuous monitoring.
-

6. Compliance and Continuous Improvement

- The Ethics and Compliance Manager:
 - Conducts **annual policy reviews** to align with updated regulations.
 - Ensures **ongoing training** and employee engagement on ethical practices.
 - Reports **ethics violations and corrective actions** to senior leadership quarterly.
-

Pillar 4: Business Ethics Accountability (Validation & Verification)

This policy applies to all employees, contractors, and business partners. The Ethics and Compliance Manager is responsible for overseeing its implementation and ensuring adherence.

Review

This policy will be reviewed annually to ensure its effectiveness in promoting ethical business practices.

Conclusion

Ensuring compliance with SMETA's four pillars strengthens corporate responsibility, enhances workplace conditions, and aligns businesses with international labor standards. By implementing these structured compliance strategies, Twin City Produce fosters an ethical, legally compliant, and socially responsible work environment.

Supporting Documentation

- Employee handbooks
 - Audit logs
 - Management review records
 - Safety training logs
 - Payroll and benefits documentation
-

Prepared by:

Tiffany Webb, Food & Safety Compliance

Date

Approved by:

Travis Sharum, Senior Site Manager/Owner

Date

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