	<b>Supplier approval and evaluation program</b> Empacadora del Golfo de México, S. A. de C. V.			
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## I. OBJECTIVE

Establish the mechanism for selection, approval and evaluation of suppliers of raw materials, ingredients, packaging materials, chemical products and services according to the risk they present to the safety, authenticity, legality and quality of the final product.

## II. SCOPE

This program is applicable to all suppliers that, according to the risk they present to the safety, authenticity, legality and quality of the final product, it will be necessary to apply a supplier selection, approval and evaluation mechanism:

- Raw Materials
- Ingredients
- Primary containers and packaging
- Manufacturing tools
- Chemicals
- Services


## III. RESPONSIBLE

Position	Responsibility
Purchasing Manager	Ensure adherence to this procedure. Manage compliance with suppliers. Evaluate suppliers, in conjunction with the corresponding areas.
Quality Manager	Ensure that the evaluation of suppliers is carried out by the materials management area.
Food safety Coordinator	Review and approval of documentation provided by suppliers.
Change Control Specialist	Manage testing required for approval of new materials and suppliers.

## IV. CONDITIONS/ REGULATIONS

BRCGS Food Safety Standard V. 9 requirement 3.5 - Approval and performance monitoring of suppliers and raw materials.

Developed by	Reviewed by	Approved by:
Purchasing Coordinator Food safety Coordinator	Quality Manager	Purchasing Manager

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## V. DESCRIPTION


Empacadora del Golfo de México, S.A. de C.V. has developed the Supplier Approval and Evaluation program, defining an APPROVED supplier as one that, after prior evaluation, is determined to provide materials and services that meet the requirements of safety, authenticity, legality and quality, validated by the documentation provided during the approval process and subsequent evaluation.

This program consists of three aspects:

1. Commercial Negotiations: where financial factors such as price, delivery times, credits, discounts, volume purchases, contracts and any operational factor are addressed, this part is dealt with through the purchasing department.
2. Technical Requirements: At this stage, the quality of the materials and compliance with the requirements that ensure the safety, authenticity, legality and quality of the products are evaluated.
3. Follow-up of the Approval Program and Initial Evaluation: In this stage, follow-up is given through continuous evaluation during the receptions and services offered in an annual period, evaluating aspects of safety, authenticity, legality, quality and services provided.

### SUPPLIER AND NEW MATERIALS APPROVAL

Responsible	Description
Purchasing department	<ol style="list-style-type: none"> <li>1. Conduct a search for suppliers.</li> <li>2. Send to the supplier the internal specification of the material and the technical requirements according to the physical and chemical characteristics of the final product.</li> <li>3. Request commercial and technical information described in the list ACPR/1 List of documentation for suppliers.</li> <li>4. Request samples for approval and review by the Quality and Food Safety Department, the quantity will depend on the type of material/ingredient.</li> <li>5. Deliver to the Quality and Food Safety Department the sample of the material, as well as, send via mail, the corresponding specification. All the corresponding documentation will be compiled according to the ACPR/1 document lists.</li> <li>6. Update the " Sample Submission" file in order to have a basis with the status of approval or rejection.</li> </ol>
Quality and Food Safety Department	<ol style="list-style-type: none"> <li>7. Review the technical information provided by the purchasing department, according to the type of supplier (with or without GFSI certification).</li> <li>8. Program the necessary tests to start the change control procedure.</li> </ol>
Purchasing department	<ol style="list-style-type: none"> <li>9. Follow up on material approval.</li> </ol>
Quality and Food Safety Department	<ol style="list-style-type: none"> <li>10. Inform whether the material is Approved or Rejected by means of an e-mail and the "Sample Submission" file.</li> <li>11. Release the material according to the results obtained.</li> </ol>

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Responsible	Description
Purchasing department	12. Update the Approved Suppliers Classification list if the material and/or supplier was APPROVED, if it was REJECTED no purchase will be made, but the cause of the non-approval will remain as a reference in the " Sample Submission " file. 13. Deliver a copy of the Approved Suppliers Classification list to the Warehouse Department. 14. Request quotations and perform a financial analysis as to the price they offer compared to the approved suppliers, as well as possible volume purchases and credit days. 15. Confirm the first purchase with the Warehouse, Production and Quality Department to be informed of its receipt.

According to the requirements for supplier approval according to their risk level:

- If suppliers have a GFSI accredited system they may be exempt from Audit as long as they comply with the annual satisfactory assessment.
- If suppliers are audited, the findings must be responded to with a work plan within 20 working days.
- Every three years, suppliers will be requested to update their documentation, if the material presents a change in its formulation or process, Empacadora del Golfo must be informed and the documentary requirements must be provided again.

The risk assessment of raw materials and packaging shall be updated when a change occurs, a new risk arises, after a recall or recovery of products where a given raw material has been involved or at least every 3 years, this assessment shall be made according to the risks of safety, quality, authenticity and legality of raw materials and packaging materials and through a decision tree that will determine the level of risk for each input.


If the material is accepted in the commercial part and not accepted in the safety, quality, authenticity and legality part it WILL NOT BE APPROVED.

## SUPPLIER EVALUATION

The evaluation of suppliers of raw materials, ingredients, packaging and chemicals is carried out for each receipt of materials and a quarterly rating is determined through the file "Continuous\_evaluation\_prov\_materials" and "Continuous\_evaluation\_prov\_service", with which a rating of the performance of the supplier is obtained in the criteria of:

1. Updating of documents (legality, safety, quality and authenticity)
2. Quality and Safety (complaints to suppliers)
3. Service (requested deadline)
4. Service (Quantity requested)
5. Price competitiveness
6. End-user evaluation

Suppliers are evaluated on a quarterly basis to determine continuity or areas for improvement.

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Suppliers are sent an annual letter AC-SGC-EVA-PROV with the evaluation of their receptions where a final rating of the results obtained throughout the year is given.

#### Supplier qualification table

Total qualification			Action plan
0	79	Reproved	Requires specific action plan with possible visits (maximum 1 quarter failed, second quarter will be cancelled).
80	89	Conditional	Requires action plan and personalized follow-up (maximum 2 quarters conditional, the third quarter will be cancelled).
90	94	Acceptable	Requires communication of results and documentary review after 2 years.
95	100	Excellent	Documentary review at 3 years

Supplier audits are determined according to the risk assessment analysis AC-APCC-ING and AC-SGC-INS and according to their final result of the continuous evaluation performed during the year.

All suppliers that do not have a GFSI certification must participate in a CO-MP-TRA traceability simulation, with an objective of no more than 4 hours of information gathering, with the exception of agricultural raw materials. The frequency of subsequent drills will depend on the result obtained (semi-annually, annually or every 2 years at the most).

#### CLAIMS TO SUPPLIERS

Responsible	Description
Quality and Food Safety Department	1. Make the claim to the supplier, describing the non-compliance with photographic evidence within a period not exceeding one week from the detection of the non-compliance.
Purchasing department	2. Manage with the supplier the corrective actions, return, physical exchange, credit notes, as applicable. 3. Deliver to the Quality and Safety Department the resolution of the claim in a period no longer than 1 month.
Quality and Food Safety Department	4. Acknowledges the resolution of the complaint and follows up on the corrective actions implemented.

The evaluation of service providers is carried out by the department that requires them, with which a rating is obtained on the performance of the latter in the criteria of:

1. Complies with the contracted service specifications
2. Complies with the contracted service frequencies
3. Attends to incidents in a timely manner
4. Delivers the required documentation in a timely manner (service reports, analysis results as applicable)
5. Complies with company regulations (safety and good manufacturing practices)



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It will be carried out through the CO-MP-EPS record, which gives a qualification that allows evaluating the supplier's compliance on an annualized basis, and a minimum qualification of 70% must be obtained.

Claims are carried out by the user department who in turn will immediately inform the Purchasing department to manage the administrative issue, as applicable.

On a quarterly basis, the service will be evaluated to determine continuity or areas for improvement.

Annually, suppliers are sent a letter with the evaluation of their receptions in which a final rating of the results obtained throughout the year is given.

### Supplier qualification table

Total qualification			Action plan
0	69	Reproved	Immediate action plan or supplier termination
70	79	Conditional	Action plan and personalized follow-up
80	89	Acceptable	No follow-up required
90	100	Excellent	No follow-up required

The scope of services to be evaluated are:

1. Pest control
2. Maintenance and calibration of measuring equipment and instruments
3. Testing laboratories
4. Waste management
5. Training agents
6. Consultants
7. Transportation and Distribution


Note: they are not limitative.

For the approval and supervision of service providers, this is determined according to the risk assessment analysis AC-SGC-SER and according to the final result of the continuous evaluation carried out during the year.

**ANY NON-COMPLIANCE IN TERMS OF QUALITY, SAFETY, LEGALITY, AUTHENTICITY WILL BE SUBJECT TO CLAIM OR REFUND.**

A supplier shall cease to be approved for the following reasons:

1. Financial loss.
2. Repetitive customer complaints without response.
3. Failure to comply with the documentation requested based on our requirements.
4. Affecting the security, authenticity, legality and quality of the final product.

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### Temporary or Emergency Supplier Acceptance Policy

Purchases from temporary or emergency suppliers will be allowed in cases of force majeure with the following conditions:

- Technical sheet and/or specification sheet
- Virtual audit or evaluation questionnaire (according to the risk of the material) in case of not having GFSI certification

Cases of these exceptions:

1. Failure of the current provider and not having an alternate provider
2. When a client suggests a supplier of raw materials
3. When the information necessary to approve a provider is not available

For points 2 and 3, it will be required to send samples of said material to a certified laboratory to verify the quality and safety of the product according to the ACPR/1 Documentation List for suppliers. The supplier must deliver the questionnaires, letters of guarantee and certificates requested.

## VI. GLOSARY

N/A

## VII. ANNEX

N/A

## VIII. CHANGES CONTROL

Section	Description of the change	Date	Made by
II	Update of information	01/02/20	Alejandra Espinosa
VII	Updating of the list of quality document annexes	15/01/21	Alejandra Espinosa
III	Update of information	03/01/22	Alejandra Espinosa
V	Update of the information new requirements BRCGS V.9	04/01/23	Alejandra Espinosa



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### IX. DISTRIBUTION LIST

# Copy	Printed or Electronic	Area	Receive
N/A	E	Quality and Food Safety	Food safety Manager
N/A	E	Quality and Food Safety	Materials Management Specialist
N/A	E	Quality and Food Safety	Change Control Specialist
N/A	E	Quality and Food Safety	Sanitation Supervisor
N/A	E	Warehouse	Warehouse Manager
N/A	E	Warehouse	Warehouseman
N/A	E	Maintenance	Maintenance Manager
N/A	E	Maintenance	Warehouse Coordinator
N/A	E	Projects	Projects Manager
N/A	E	Projects	Projects Coordinator
N/A	E	Sales	National and export sales
N/A	E	Safety and Hygiene	Safety and Hygiene Manager
N/A	E	Administration	Administration Manager