




# Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1083372	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1001480
Business name (Company name):	DEDRAX JSC		
Site name:	DEDRAX JSC		
Site address: <i>(Please include full address)</i>	1, Square, NDK, enter A14., 1463 Sofia, Bulgaria 173 Prilep Str., 9000 varna, Bulgaria	Country:	Bulgaria
Site contact and job title:	Katya Stanoeva – Management Representative		
Site phone:	+359 2 9166 129	Site e-mail:	stanoeva@dedrax.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	5th to 6th and 10 <sup>th</sup> December 2018		

<b>Audit Company Name &amp; Logo:</b>   <b>Bureau Veritas</b>	<b>Report Owner (payee):</b> <b>DEDRAX JSC</b>
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

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

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

Lead auditor:

Maritsa Panova

Team auditor:

Maria Radenkova

Interviewers:

Maritsa Panova, Maria Radenkova

Report writer:

Maritsa Panova

Report reviewer:

Alison Dsouza

Audit Company Report Reference:

001

Date of declaration:

1<sup>st</sup> February 2019

*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.*

## Non-Compliance Table

Issue <i>(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.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>				
0B <a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
3. <a href="#">Safety and Hygienic Conditions</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
5. <a href="#">Living Wages and Benefits</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
6. <a href="#">Working Hours</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
8. <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8A. <a href="#">Sub-Contracting and Homeworking</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9. <a href="#">Harsh or Inhumane Treatment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

General observations and summary of the site:

It was noted that workers had very open attitude towards the interviews. They were willing to express everything related to their workplace and their management. They shared a lot of information about the conditions of work and about attitude of management. No discrepancies are observed during the interviews. The interviews show that there are no violations of human rights or deviations from the requirements of the code. The employees are very content with the work conditions.

*\*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:	DEDRAX JSC	
B: Site name:	DEDRAX JSC	
C: GPS location: (if available)	GPS Address: NA	Latitude: Longitude: NA
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Company registration 201412044	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc.	Production of scratch cards. Manufacture of paper and paper composite materials. Production of printed products and polygraph services.	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The core business of the company is Production of scratch cards. Manufacture of paper and paper composite materials. Production of printed products and polygraph services.</p> <p>Dedrax is a private company established in 1993 having as core activity prepress services, printing and bookbinding.</p> <p>Since 1995 it is among the first to work as a print film exposure studio. In 2002 Dedrax expanded by hiring the printing facility of the National Palace of Culture in Sofia and invested 5 million euros in the purchase of its own new conventional and digital printing and bookbinding equipment.</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)	October – December	
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Production of scratch cards. Manufacture of paper and paper composite materials. Production of printed products and polygraph services.	
J: 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	

K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
N: Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No If No, please give details – NOT APPLICABLE



Audit Parameters			
A: Time in and time out	Time in: 09:00 Time out: 17:00	Time in :09:00 Time out: 15:30	Time in: 09:00 Time out: 17:00
B: Number of auditor days used:	2 auditors: 1 x 1.5. days + 0.5 days for planning and reporting 1x1 day Total: 2.5 days + 0.5 days for planning and reporting		
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Katya Stanoeva – Management Representative		
H: Is further information available (If yes please contact audit company for details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	December 2016		
J: Previous audit type:	Full periodic		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input 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	

<p>D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i></p>	<p>There is no worker committee</p>
<p>E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i></p>	<p>There are no unions in the company and therefor no union representatives.</p>

## 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 and where they do not intend to remain permanently 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*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	123	-	-	-	-	-	-	123
Worker numbers – female	104	-	-	-	-	-	-	104
Total	227	-	-	-	-	-	-	227
Number of Workers interviewed – male	18	-	-	-	-	-	-	18
Number of Workers interviewed – female	22	-	-	-	-	-	-	22
Total – interviewed sample size	30	-	-	-	-	-	-	30

A: Nationality of Management	Bulgarian
B: Nationality of workers <i>Please add more rows as applicable</i>	Countries: Country 1: Bulgarian Country 2: N/A Country 3: N/A
C: For the majority nationality of workers:	Nationality 1 approx 100% total workforce - BULGARIAN Nationality 2 approx % total workforce _____ Nationality 3 approx % total workforce _____
D: Worker remuneration ( <i>management information</i> )	0% workers on piece rate 0% hourly paid workers 100% salaried workers  Payment cycle: 0% weekly paid 100% monthly paid _____% other If other, please give details

Worker Interview Summary

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: <i>(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)</i>	4 GROUPS OF 5
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 8      Female: 02
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
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?	No repeating complains
I: What did the workers like the most about working at this site?	Low stress, timely payment
J: Any additional comment(s) regarding interviews:	no
K: Attitude of workers to hours worked:	Favourable
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, please give details: NA</i>	
M: Attitude of workers: <i>(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</i>	
It was noted that workers had very open attitude towards the interviews. They were willing to express everything related to their workplace and their management. They shared a lot of information about the conditions of work and about attitude of	

management. No discrepancies are observed during the interviews. The interviews show that there are no violations of human rights or deviations from the requirements of the code. The employees are very content with the work conditions.

**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*

Not applicable

**O: Attitude of managers:**

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

**Managers at the opening meeting:**

Ludmil Terzijski – General Manager

Katya Stanoeva – Management representative

The Managers were present at the beginning and at the end of the audit.

This was the first audit ever to be performed in the company, but the management was aware of the audit process and was calm and open minded. The necessary documents and information were available.

The preliminary delivered plan for the audit was reviewed in order to clarify the time schedule. The audit schedule was fulfilled in accordance with the plan and managed to fulfil its scope. 24 personnel files, time records and payroll evidences were checked. It was found that the Ethical issues and local laws and regulations are obeyed by the management.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 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:

As the site has been subject of social audits during the years, owners are aware of the ethics code and has implemented it, Ethical code, Internal Labor Rules, etc.

All these documents are place all over the production areas, employees are trained initially upon contract signature.

Internal Labour Rules are one of the documents that are announced to worker prior signing contract.

Some points – working hours, holidays, remuneration, confidentiality - are included in the contract, other, like working conditions, hierarchy, information flow are part of Job descriptions.

Owners and Managers have the responsibility for the implementation and observation of standards concerning human rights. Legal and other requirements compliance is part of Management representative responsibilities.

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

Details:

Interviews.

Ethical code,

Declaration (policy) for quality, environment, health and safety at work,

Internal Labor Rules,

Labour Contracts,

Confidential declarations,

Job descriptions,

Any other comments: none



<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details (mainly applicable for the parent company): Ethical code, Internal Labor Rules, etc.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details:                  Name: Katya Stanoeva                  Job title: Management Representative/HR</p>
<p>C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details:                  It does – there are anonymous claim boxes. Also the workers can submit a plea to the Labor Inspection Authorities</p>
<p>D: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no, please give details: NA</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: Company has demonstrated effective data privacy procedures for workers' information</p>

Findings None	
<p><b>Finding: Observation</b> <input type="checkbox"/>      <b>Company NC</b> <input type="checkbox"/></p> <p><b>Description of observation:</b></p> <p><b>Local law or ETI/Additional elements / customer specific requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good examples observed: None	
<p><b>Description of Good Example (GE):</b></p>	<p><b>Objective Evidence Observed:</b></p>

## 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)	Last year: 2 %	This year 1 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	NA	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 2017 0.068 %	This year till 30 Oct 2018 0.060 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	June'18 – Aug'18: 0.002%	NA
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: System in place though no accidents	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year: Number: 0	This year: 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% - 2017	0% - Aug-Oct 2018
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]	Last year: 0	This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months ___0___% workers	12 months ___0___% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months ___0___% workers	12 months 0% workers

**0B: Management system and Code Implementation**

[\(click here to return to NC Table\)](#)

- 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:**

Responsibility for meeting the legal and client code requirements is shared between the owners and Management representative in IMS. There is also Health & Safety Committee (as per requirements of Bulgarian law) and together they are responsible for ensuring the standards are met. Company is in compliance with Bulgarian Labour Code, Health and Safety regulations, Environmental regulations in Bulgaria, and of course of present code. All relevant docs are placed on info boards in the working premises.

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

Details:

Any other comments:

**Management Systems:**

<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  Please give details: Interviewed declared that no visits on site made from authorities. Internet search also did not reveal any problems or fines from government authorities.</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: Statements for not tolerating forced labour, child labour, discrimination, harassment &amp; abuse are documented in ethical code,</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>All relevant docs are placed on info boards in the working premises.</p>

<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment &amp; abuse?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: Company has signed contract with OH&amp;S medical body (law requirement), that is obliged to announce obligations toward laws. The managers and H&amp;S committee are yearly trained from medical body in connection with the ethical issues and health and safety</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: During the interviews it was confirmed that workers are aware of the above documents. This is part of the induction training of each worker and signing the job description, Confidential declarations. Workers declare they are aware of Ethics code</p>
<p>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).</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please give details: NA</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: Human recourses are managed by external company – Personnel Consult Bulgaria Ltd.</p>
<p>H: Is there a senior person /manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: Mrs. Kalinka Staykova</p>
<p>I: Is there a policy to ensure all worker information is confidential</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: GDPR Procedures are implemented</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: GDPR Procedures are implemented</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: During managerial meeting.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: Management reviews are the tool for addressing issues towards integrated management system</p>

M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Company is not quite big and is not in position to ask for special requirements to be fulfilled from their suppliers
<b>Land rights</b>	
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 Please give details: The Company owns a offices
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 Please give details: If any issues occur – lawyer or company will be hired
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC: The Company owns a offices, The land is not related to the ownership of the offices
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The land is not related to the ownership of the offices
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No as it is not applicable
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 Please give details: : The Company owns a offices

<b>Non-compliance: None</b>	
<p><b>1. Description of non-compliance:</b></p> <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:	<p><b>Objective evidence observed:</b>                  (where relevant please add photo numbers)</p>
<b>Local law and/or ETI requirement:</b>	
<b>Recommended corrective action:</b>	

**Observation: None**

<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>
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<b>Good Examples observed: None</b>	
<b>Description of Good Example (GE):</b>	<b>Objective evidence observed:</b>



**1: Freely Chosen Employment**

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

**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 company has implemented the requirements for prohibition of forced labour in its Ethic Code. As per the local law at contract signing stage the original IDs are required in order to verify the age of the worker – only copies are kept in employees' files. The personal contracts showed that workers are free to leave the company upon a 30 days preliminary notice – confirmed during workers' interviews. Workers are free to leave workplace upon shift end – company buses are provided to transport workers who live outside the city. All of the above was confirmed through site tour, workers' and management interviews.

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

Personal files – no original employees documents are kept  
Internal labour rules  
Ethic Code  
Management and workers' interviews

Any other comments:

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 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 If yes, please give details and category of workers affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: Allowed by the Labor Code 1 to 3 months prior notice (set in each labor contract)
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there is a	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable

published 'modern day slavery statement.	Please describe finding: <input type="checkbox"/> Not applicable
G: 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 Please describe finding:NA
H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please give details and category of workers affected: prohibition of forced labour in its Ethic Code <input checked="" type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No No such actions needed outside the obligations the Company needs to follow in terms of Bulgarian Legislation Please describe finding: prohibition of forced labour in its Ethic Code

<b>Non-compliance: None</b>	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>

<b>Observation: None</b>	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

**Good Examples observed: None**

Description of Good Example (GE):

**Objective evidence  
observed**

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

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

**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:**

There is no union in the company.  
 There is no worker committee in the company. **No worker committee.**  
 Company has implemented Ethic Code with policy on freedom of association.  
 Although there is no union and worker committee in the company the workers stated that they do not need any, because they can freely make suggestions to their direct supervisors and to the managers. They feel positive because they see real results from their suggestions and/ or concerns. The workers have chosen the members of health and safety committee in the company; they know their representatives and stated that they have good and useful communication with the management through them as well

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

Company Ethic Code  
 Management interviews  
 Worker interviews  
 Health and Safety Committee Minutes of meeting

Details: Any other comments:

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 checked="" type="checkbox"/> Yes – only companies with more than 50 employees <input type="checkbox"/> No
D: Is there any other form of effective worker/management communication	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>channel? (Other than union/worker committee e.g. H&amp;S, sexual harassment)</p>	<p>Describe: Direct Communication Anonymous boxes, communication through workers committee. Is there evidence of free elections? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Details: n/a</p>	
<p>F: Name of union and union representative, if applicable:</p>	<p>not applicable</p>	<p>Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>They can freely make suggestions to their direct supervisors and to the managers. The workers have chosen the members of health and safety committee in the company; they know their representatives and stated that they have good and useful communication with the management through them as well</p> <p>Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>	
<p>H: Are all workers aware of who their representatives are?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable</p>	
<p>I: Were worker representatives freely elected?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable</p>	<p>Date of last election:</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable</p>	
<p>K: Were worker representatives/union representatives interviewed?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b>, please state how many: Not applicable</p>	
<p>L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.</p>	<p>Not applicable</p>	
<p>M: Are any workers covered by Collective Bargaining Agreement (CBA)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>If <b>Yes</b>, what percentage by trade Union/worker representation</p>	<p>___% workers covered by Union CBA – n/a</p>	<p>___% workers covered by worker rep CBA – n/a</p>

If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No Bn/a
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Non-compliance: None	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>

Observation: None	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed: None	
Description of Good Example (GE):	<b>Objective evidence observed:</b>



### 3: Working Conditions are Safe and Hygienic

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

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

#### 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:

A safe and hygienic working environment is provided. There is risk assessment of Health and Safety at work is approved and covers all of the possible risks. The premises are equipped with appropriate and correctly maintained fire fighting equipment. Workers receive regular and recorded Health & Safety training. Each new or reassigned worker receives introduction training and records are kept.

There are clean toilet facilities and potable water without any limitation of access.

There is no need for the accommodation to be provided by the company.

There is Health & Safety committee established. The truck owned by the company and used for the execution of the main processes are brand new and equipped with first-aid kits and fire-extinguishers.

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

Details:

- Certificates for control of working conditions.
- Health and safety at work risk assessment
- Establishment of Health and Safety committee, records for training of the members and records from quarterly held meetings;
- PPE needed - available.
- Fire-fighting schemes, rules, plans, actions;
- Regular trainings, evacuation drills once per year.
- Firefighting training.
- Periodical training for health and safety at work.
- Logbook for incident – none observed.
- Periodical medical examination and analysis of the health condition of the employees are performed.
- Master client's supplier code.
- Quality Policy
- Ethical Policy
- Examination of work premises
- Interviews

Any other comments:

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: facility have general Health &amp; Safety and occupational Health</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please give details: Not Applicable considering the types of services provided by the company</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please give details: NA</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: It is regulated and requested by law</p>
<p>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.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please give details: No requirement to have such. In case of emergency, municipality hospitals nearby are used.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: Workers receive regular and recorded Health &amp; Safety training. Each new or reassigned worker receives introduction training and records are kept. . In case of emergency, municipality hospitals nearby are used.</p>
<p>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?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  Please give details: NA</p>
<p>H: Is secure personal storage space provided for workers in their living space and is it fit for purpose?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please give details: – the company does not provide living space</p>

<p>I: Are H&amp;S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: There is a risk assessment for all positions in the company. Workers are aware of it.</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Buy meeting its legal obligations</p>

Non-compliance: None	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>

Observation: None	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed: None	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

**4: Child Labour Shall Not Be Used**

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

**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:**

- The company policy on child labor is part of the company Internal Labour Rules.
- According to the local law before signing a contract the HR verify the age of the employees by checking the IDs. Upon completion of verification original documents are returned to workers.
- The youngest worker found in the company is 25 years old.

**Evidence examined:**

- Personal files of all workers
  - List of employees
- Health records from preliminary medical examination.

Any other comments: NA

A: Legal age of employment:	18
B: Age of youngest worker found:	25
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? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details

**Non-compliance: None**

**1. Description of non-compliance:**

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

**Local law and/or ETI requirement:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

<b>Recommended corrective action:</b>	
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Observation: None	
<b>Description of observation:</b> <b>Local law or ETI requirement:</b> <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed: None	
Description of Good Example (GE):	<b>Objective Evidence Observed:</b>

**5: Living Wages are Paid**

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

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

**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:**

All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment.

During the interviews it was found that monthly wages are paid by bank transfer. Additional written info about the calculation of each employee wage is given separately to each worker in the pay slips.

Lowest wage paid by the company is in compliance with the local law – only security guards (3 employees) have signed contract for the minimal wage in Bulgaria – 510 BGN.

Records showed that all deductions as required by law are made – workers are aware and well acquainted about the deductions made from their salaries.

Workers are paid in two bank transfers – every 25th day of each month they receive advance from their salaries and every 10th day of the month they receive the rest of the salary for the previous month worked.

No evidence for any disciplinary deductions in form of fines from wages.

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

Internal company rules for calculation of wages

Document review

Worker interviews

Payroll records for October 2018 (last paid to workers), May 2018 (due to many national holidays in the month – in order to verify that company complies with the National law) and November 2017 (a month from previous year).

Corresponding Time records for above stated months checked.

Labour contracts for employment

Payslips for all workers interviewed

Any other comments:

**Non-compliance: None**

**1. Description of non-compliance:**

**Objective evidence observed:**



<input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer <b>Local law and/or ETI requirement:</b> <b>Recommended corrective action:</b>	(where relevant please add photo numbers)
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<b>Observation: None</b>	
<b>Description of observation:</b> <b>Local law or ETI requirement:</b> <b>Comments:</b>	<b>Objective evidence observed:</b>

<b>Good Examples observed: None</b>	
Description of Good Example (GE):	<b>Objective Evidence Observed:</b>

**Summary Information**

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 40 hours (8 hours per day, 5 days per week)	40 hours (8 hours per day, 5 days per week)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: Regular working time: max 3h per day max 6h per week max 30h per month max 150 per year;  Summed working time: max 12h per day max 56h per week	0 hours	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 510BGN	Above 510 BGN	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: overtime wage:	Legal minimum: +50% in regular days	Set to be if any:	<input type="checkbox"/> Yes <input type="checkbox"/> No

(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	+75% in weekends +100% in official holidays +50% if summed working time	+100% in official holidays +50% if summed working time Above stated in the Internal Labour rules, but as no overtime found – no records for payment o overtime available.	No CBA
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**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	
If <b>No</b> , why not?	NA	
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)	Records for 30 workers checked for three months chosen from last year period: . 30 payrolls for September 2018 (last paid to workers), 30 payrolls for May 2018 (due to many national holidays in the month – in order to verify that company complies with the National law) And 30 payrolls for November 2017 (a month from previous year).	
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If <b>Yes</b> , please give details:
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	If <b>No</b> , please give details:
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 type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i>
F: Please indicate the breakdown of workforce per earnings:	0	___% of workforce earning under min wage __100__% of workforce earning min wage ___% of workforce earning above min wage
F: Bonus scheme found: Please specify details:	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i>	
H: What deductions are required by law e.g. social insurance? Please state all types:	For 2017: pension Fund – 6.14 % Unemployment fund – 0.4 % Health insurance – 3.2 %	

	<p>Sickness and maternity fund – 1.4 %          Additional pension insurance – 2.2 %          Income tax – 10%</p> <p>For 2018:          pension Fund – 6.58%          Unemployment fund – 0.4 %          Health insurance – 3.2 %          Sickness and maternity fund – 1.4 %          Additional pension insurance – 2.2 %          Income tax – 10%</p>		
<p>I: Have these deductions been made? Please list all deductions that have/have not been made.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Please list all deductions that <b>have</b> been made.</p>	<p>1. pension Fund – 6.14 %          Unemployment fund – 0.4 %          Health insurance – 3.2 %          Sickness and maternity fund – 1.4 %          Additional pension insurance – 2.2 %          Income tax – 10%</p>
		<p>Please list all deductions that <b>have</b> not been made.</p>	<p>1.          2. NA          Please describe:</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> Poor record keeping <input checked="" type="checkbox"/> No <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:		
<p>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)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:		
<p>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></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:		
<p>If yes, what was the calculation method used.</p>	<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 Other – please give details:		

<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: The periodical review is done on yearly basis (usually - the beginning of each year – in January) but decision is based on economic situation and company achievements.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: Payrolls</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash  <input type="checkbox"/> Cheque  <input checked="" type="checkbox"/> Bank Transfer  <input type="checkbox"/> Other                  If other, please explain:</p>

**6: Working Hours are not Excessive**

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

**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 System** :Through workers' interviews, there is no OT in the company.
- Hours and wages records provided for the last 12 months: November 2017 – October 2018 showed that there is no overtime in the company.
- Paper records of the company's working time were also reviewed and no OT was found.
- According to all records and workers' interviews the working schedule is 8 hours, 5 days per week with 2 days off (Saturday and Sunday).

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

**Evidence examined:**

- Employees interviews
- Interviews with management
- Payslips for interviewed workers
- Time records for the past 12 months in order to verify the number of hours worked
- Internal rules for the organisation of work process and Internal Labour Rules

Non-compliance: None	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>

Observation: None	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed: None	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

Working hours' analysis	
<p><i>Please include time e.g. hour/week/month</i>  <a href="#">(Go back to Key information)</a></p>	
Systems & Processes	
<p>A. What timekeeping systems are used: time card etc.</p>	<p><i>Describe:</i> Paper records are filled in and kept by the accounting department</p>
<p>B: Is sample size same as in wages section?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  <i>If no, please give details</i></p>
<p>C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  <i>If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</i></p>
	<p><input type="checkbox"/> Yes  <i>If YES, please complete as appropriate:</i></p>

D: Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
	If "Other", Please define:				
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	If yes, please detail hours, %, types of workers affected and frequency			
		Please give details:			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	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: 2 in every 7 day period		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):				
	5 days				
<b>Standard/Contracted Hours worked</b>					
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency:			
	NA				
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	If yes, please give details:			
<b>Overtime Hours worked</b>					
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	none			
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	Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker			

	<input type="checkbox"/> Conflicting Information – if such would appear	<i>interviews / refusal arrangements: voluntary though no of done</i>
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes – provided such overtime would appear it is set in internal labor rules <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<i>Please give details of normal day overtime premium as a % of <b>standard</b> wages: <b>No OT</b></i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes – provided such overtime would appear it is set in internal labor rules <input type="checkbox"/> No	<i>If yes, please describe % of workers &amp; frequency: No OT</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 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	
	Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other	
	NA	
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 type="checkbox"/> <b>Overtime is voluntary</b> <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)	
	Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:	
Q: Is there evidence that overtime hours are being used for extended	<input type="checkbox"/> Yes <input type="checkbox"/> No	



<p>periods to make up for labour shortages or increased order volumes?</p>	<p>If yes, please give details:</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**7: No Discrimination is Practiced**

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

**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:**

Interviews with recently recruited employees confirmed that there are no discriminative requirements in the job announcements and during the recruitment interviews.  
 No adverse feedback on discrimination was received during the workers' interviews.  
 Anti-discrimination policies are part of the Ethic Code of the company.  
 No evidences for sexual harassment were found.  
 Training procedure for new and reassigned workers.  
 Training procedure for promotion of workers.

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

Employee interview  
 Management interview  
 Internal Labour Rules  
 Code of Ethics  
 Attendance records  
 Payrolls for male and female on same position.  
 Training records

Any other comments: NA

A: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	Male: <u>60</u> % Female <u>40</u> %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: 80
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 <b>no</b>

**Professional Development**

A: What type of training and development are available for workers?	All workers no matter of the gender or any other affiliation receive trainings - mainly trainings are in health and safety. On-job trainings are also given to all workers, depending on quality and environmental issues
---	---

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details NA
--	---

<b>Non-compliance: None</b>	
<b>1. Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  <b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	<b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i>

<b>Observation: None</b>	
<b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

<b>Good Examples observed: None</b>	
Description of Good Example (GE):	<b>Objective Evidence Observed:</b>

**8: Regular Employment Is Provided**

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

**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 employees are hired directly by the company. No labour agencies are used to hire workers. The usual way for announcing vacancy work positions is through State Labour offices, job sites, but mostly common way is spreading info among workers in the company. Employees hired undergo probationary period of 3 months which is written in the contracts. Consequently, after positive result of performance evaluation, employee is provided permanent employment status. Nevertheless the worker is in a probation period or in permanent status, he/she is paid as per rules and regulations of the company and of the state on equal basis for the position. All workers sign labour contract prior starting work. All contracts are registered in Government Tax Authority. No home workers or apprenticeship schemes were identified. No subcontractors are used.

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

Worker interviews  
 Management interview  
 Personnel files & contracts review.  
 Registrations of contracts in Tax Authority.  
 Payrolls

Any other comments: NA

Non-compliance: None	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>

Observation: None	
<p><b>Description of observation:</b>  <b>Local law or ETI requirement:</b>  <b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed: None	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

### Responsible Recruitment

All Workers	
<p>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?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>
<p>B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>If yes, please describe details and specific category(ies) of workers affected:</p>

<p>C: If yes, check all that apply:</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Recruitment / hiring fees</li> <li><input type="checkbox"/> Service fees</li> <li><input type="checkbox"/> Application costs</li> <li><input type="checkbox"/> Recommendation fees</li> <li><input type="checkbox"/> Placement fees</li> <li><input type="checkbox"/> Administrative, overhead or processing fees</li> <li><input type="checkbox"/> Skills tests</li> <li><input type="checkbox"/> Certifications</li> <li><input type="checkbox"/> Medical screenings</li> <li><input type="checkbox"/> Passports/ID's</li> <li><input type="checkbox"/> Work / resident permits</li> <li><input type="checkbox"/> Birth certificates</li> <li><input type="checkbox"/> Police clearance fees</li> <li><input type="checkbox"/> Any transportation and lodging costs after employment offer</li> <li><input type="checkbox"/> Any transport costs between work place and home</li> <li><input type="checkbox"/> Any relocation costs after commencement of employment</li> <li><input type="checkbox"/> New hire training / orientation fees</li> <li><input type="checkbox"/> Medical exam fees</li> <li><input type="checkbox"/> Deposit bonds or other deposits</li> <li><input type="checkbox"/> Any other non-monetary assets</li> <li><input type="checkbox"/> Other – please give details</li> </ul>
<p>D: If any checked, give details:</p>	<p>NA</p>

<b>Migrant Workers:</b> <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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>			
<p>A: Type of work undertaken by migrant workers:</p>	<p><b>No Migrant workers</b></p>		
<p>B: Migrant worker recruitment</p>	<p>Total number of (in country recruitment agencies) used:                      Total number of (outside of local country) recruitment agencies used</p>		
<p>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?</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"> <input type="checkbox"/> Yes  <input type="checkbox"/> No                      Please describe finding:                 </td> <td style="width: 40%;">                     Observations                 </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations
<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations		
<p>D: Are any migrant workers in skilled, technical, or management roles</p> <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No  If yes number and example of roles:		

### NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" 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 – please give details
C: If any checked, give details:	NA

Agency Workers (if applicable)	
<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):	Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA 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 NA Please give details:

Contractors:	
<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 checked="" type="checkbox"/> No

	If yes, how many contractors are present, please give details:
B: If <b>Yes</b> , how many workers supplied by contractors?	NA
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No NA Please describe finding:
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	NA



8A: Sub-Contracting and Homeworking:

**8A: Sub-Contracting and Homeworking**  
[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

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:** No Sub contracting & Home working

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

**If any processes are sub-contracted – please populate below boxes**

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Details: NA

**Non-compliance: None**

<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI /Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>            (where relevant please add photo numbers)</p>
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Observation: None	
<b>Description of observation:</b>  <b>Local law or ETI/Additional elements requirement:</b>  <b>Comments:</b>	<b>Objective evidence observed:</b>

Good Examples observed: None	
<b>Description of Good Example (GE):</b>	<b>Objective Evidence Observed</b>

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
<b>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</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
<b>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:
<b>C: Number of sub-contractors/agents used:</b>	
<b>D: Is there a site policy on sub-contracting?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:
<b>E: What checks are in place to ensure no child labour is being used and work is safe?</b>	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
<b>A: If homeworking is being used, is there evidence this has been agreed with the main client?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:		
<b>B: Number of homeworkers</b>	Male:	Female:	Total:
<b>C: Are homeworkers employed direct or through agents?</b>	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		If through agents, number of agents:
<b>D: Is there a site policy on homeworking?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> 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  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**

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

**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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: Anonymous boxes, communication through workers committee</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Yes</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Anonymous boxes, communication through workers committee</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other                  Please give Details: Anonymous boxes, communication through workers committee</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g., suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes, please give details</p>

**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:**

There are no signs of such treatment. The harassment of any sort is absolutely not tolerated by the management. The staff is well balanced between male and female employees. Interviews firmly confirm there is no harsh or inhumane treatment in the Company. Grievances can be submitted confidentially in a suggestion box.

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

Worker interviews  
 Management interview  
 Suggestion box

Any other comments:

**Non-compliance: None**

**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: None**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

**Good Examples observed: None**

**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:**

Only workers with a legal right to work are employed or used by the company.

As per the conducted interviews with workers, managers and HR responsible as well as form documents reviewed it was confirmed that 100 % of the workers are Bulgarian.

There are no agency staff, employment agencies and immigration/foreign workers in the facility.

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

Factory tour.

Document review

Worker interview

Management interview

Ethical code and Internal Labour Rules

Personal Labour Contracts.

Personnel files review

Any other comments: NA

**Non-compliance: None**

**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: None**

**Description of observation:**

**Objective evidence observed:**

<p><b>Local law or ETI/Additional Elements requirement:</b></p> <p><b>Comments:</b></p>	
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<p><b>Good examples observed: None</b></p>	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

**10. Other issue areas 10B4: Environment 4-Pillar**

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

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:**

- Water, energy and gas consumption is being monitored on monthly basis. In general site has not been subject to fines for non-compliances to environmental laws and regulations. During interviews it was found that responsible persons are quite qualified and competent and willing to protect the environment. The company has contracts for waste management with registered organizations.
- Policies on water and electricity usage are in place.
- Company site tour showed good management of general wastes.
- No inspections from relevant authorities are performed as there are no permits required for this type of activities.

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

Details:

- Records for quantities and invoices were presented.



- Transportation cards from legally registered companies for waste management are available.
- Interviews
- Site tour
- Waste bins for segregation of paper and plastic wastes
- Storage areas for wastes

Any other comments:

**Non-compliance: None**

**1. Description of non-compliance:**

NC against ETI/Additional Elements

NC against Local

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: None**

**Description of observation:**

**Local law or ETI/Additional elements requirements:**

**Comments:**

**Objective evidence observed:**

**Good examples observed: None**

Description of Good Example (GE):

**Objective Evidence Observed**

<b>Environmental Analysis</b> <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):	Mrs.Katya Stanoeva
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required considering the services provided
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
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 If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" 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 detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: In general site has not been subject to fines for non-compliances to environmental laws and regulations.
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 Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not required considering the services provided
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Not required considering the services provided
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Not required considering the services provided

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No formal measurement required as the sites operates in a residential building	
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 type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No Subcontracting	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: 2017	Current Year: Please state period: January – October 2018
Electricity Usage: <i>Kw/hrs</i>	Around 3 000 000 Kw/hrs	Around 2 400 000 Kw/hrs
Renewable Energy Usage: <i>Kw/hrs</i>	No	No
Gas Usage: <i>Kw/hrs</i>	No	No
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 <b>Yes</b> , please state result	n/a	n/a
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	„Iskar“ Reservoir – Sofia main water supplier	„Iskar“ Reservoir – Sofia main water supplier
Water Volume Used: <i>(m<sup>3</sup>)</i>	8600 m3	6400 m3
Water Discharged: <i>Please list all receiving waters/recipients.</i>	Not Applicable	Not Applicable
Water Volume Discharged: <i>(m<sup>3</sup>)</i>	Not Applicable	Not Applicable
Water Volume Recycled: <i>(m<sup>3</sup>)</i>	Not Applicable	Not Applicable
Total waste Produced <i>(please state units)</i>	Cannot be calculated	Cannot be calculated
Total hazardous waste Produced: <i>(please state units)</i>	Cannot be calculated	Cannot be calculated
Waste to Recycling: <i>(please state units)</i>	Cannot be calculated	Cannot be calculated

Waste to Landfill: <i>(please state units)</i>	Cannot be calculated	Cannot be calculated
Waste to other: <i>(please give details and state units)</i>	Cannot be calculated	Cannot be calculated
Total Product Produced <i>(please state units)</i>	Cannot be calculated	Cannot be calculated

**10C: Business Ethics – 4-Pillar Audit**

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

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.*

- The SAQ was presented to the audit team before the audit.
- The auditing company has provided the company with its applicable business practices policies.
- Company policies are included in the company's Internal Labour Rules.
- All employees are aware of the Internal Labour Rules and it is signed by all employees for acknowledgement.
- Based on management interview the facility is familiar with national regulations/ laws concerning business integrity standards.
- Suppliers are chosen based on few criteria and there is a questionnaire that evaluates mutual business relations.
- Interviewed workers were aware of actions they need to take if critical/ unethical issues arise.
- There was not found any info about bribery, corruption, or any type of fraudulent Business Practice.

**Evidence examined:**

- Internal Labour Rules
- Review of documents
- Management interview

• Internal labour rules

Any other comments:

<b>Non-compliance: None</b>	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> <i>(where relevant please add photo numbers)</i></p>

<b>Observation None</b>	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI/Additional elements requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

<b>Good examples observed: None</b>	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input checked="" type="checkbox"/> Internal Policy  <input type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details: Internal Ethics Code and rules</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please give details: All employees are aware of the Internal Labour Rules and it is signed by all employees for acknowledgement.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>

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	Please give details: on need basis
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

<b>Other Findings Outside the Scope of the Code</b>
None

<b>Community Benefits</b>
<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>
None



## Appendix 1

**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."**

Not Applicable please x

**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.

**Instruction to Audit Company:** fill in the relevant clauses from the Customer Supplier Code - where applicable.

### ETI Code / Additional Elements

### Customer's Supplier Code equivalent

#### 0.A. Universal Rights covering UNGP

#### 0.A. Universal Rights covering UNGP

##### 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.

#### 0.B. Management Systems & Code Implementation

#### 0.B. Management Systems & Code Implementation

0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

<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>	
<p><b>ETI 1. Forced Labour</b></p>	<p><b>ETI 1. Forced Labour</b></p>
<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>	<p><b>Forced labour</b></p> <p>The Supplier must under no circumstances use, or in any other way benefit, from forced labour in line with ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on Abolition of Forced Labour. Forced labour refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment. Where the Supplier is using migrant or prison labourers under a legal framework, the Customer must be made aware to review appropriate documentation maintained by the Supplier. All work shall be voluntary, and workers shall be free to leave work or terminate their employment upon reasonable notice.</p>
<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>	<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>
<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>	<p><b>Freedom of Association and Collective Bargaining</b></p> <p>The Supplier should grant its employees the right to Freedom of Association and Collective Bargaining in accordance with all applicable laws and regulations.</p>
<p><b>ETI 3. Working conditions are safe and hygienic</b></p>	<p><b>ETI 3. Working conditions are safe and hygienic</b></p>
<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</p>	<p>The Customer expects the Supplier's operating and management systems, as well as employees, to work in preventing work-related injuries and illnesses.</p>

<p>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 &amp; 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 &amp; Safety to a senior management representative.</p>	<p><b>Workplace Environment</b></p> <p>The Supplier shall provide its employees with a safe and healthy working environment. As a minimum, potable drinking water, adequate lighting, temperature, ventilation, sanitation, and personal protective equipment must be provided together with equipped work stations. In addition, facilities must be constructed and maintained in accordance with the standards set by applicable laws and regulations.</p> <p><b>Housing Conditions &amp; Respect of Privacy</b></p> <p>When provided by the Supplier, dormitory facilities shall be constructed and maintained in accordance with all applicable laws and regulations, and they shall be clearly segregated from the factory and production area. All dormitory buildings shall be clean and safe and workers shall be able to enter and leave the dormitory buildings freely at any hour. There shall be clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. All dormitory facilities shall also provide workers with reasonable personal space, adequate heat and ventilation and clean shower and bathrooms.</p> <p><b>Emergency preparedness</b></p> <p>The Supplier shall be prepared for emergency situations. This includes worker notification and evacuation procedures, emergency training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, and adequate exit facilities. The Supplier shall regularly train employees on emergency planning, responsiveness as well as medical care.</p>
<p><b>ETI 4. Child labour shall not be used</b></p>	<p><b>ETI 4. Child labour shall not be used</b></p>
<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>	<p><b>Minimum age for employment</b></p> <p>The use of child labour by the Supplier is strictly prohibited, in line with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. The ILO Convention 138 on the Minimum Age indicates that no child below 15 years (or 14 in certain developing countries) is allowed to work, subject to exceptions allowed by the ILO or national law. If the Supplier employs young workers, it must demonstrate that the employment of young people does not expose them to undue physical risks that can harm physical, mental or emotional development.</p>
<p><b>ETI 5. Living wages are paid</b></p>	<p><b>ETI 5. Living wages are paid</b></p>

<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>	<p><b>Wages and benefits</b></p> <p>The Supplier's employees must be provided with wages and benefits that, at a minimum, comply with national laws or industry standards whichever is higher, as well as binding collective agreements, including those pertaining to overtime work and other premium pay arrangements. In any event, wages should always be enough to meet basic needs for employees, and their entitled official dependents, and to provide some discretionary income. The Supplier must not apply disciplinary or any other forms of deductions from pay neither apply any forms of discrimination in employment and remuneration practices.</p>
<p><b>ETI 6. Working Hours are not excessive</b></p>	<p><b>ETI 6. Working Hours are not excessive</b></p>
<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 <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>– this is allowed by national law;</li> <li>– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; and</li> </ul>	<p><b>Working time and rest days</b></p> <p>The Supplier must ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to regular working hours, and overtime hours, including for breaks, rest periods, holidays, and maternity and paternity leaves. In absence of law, the Supplier shall not require a regular work week over 60 hours, employees shall be allowed at least one day off after six consecutive days of work, and any overtime worked shall be voluntary and compensated at premium rate.</p>

<p>– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</p> <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>	
<p><b>ETI 7. No discrimination is practised</b></p>	<p><b>ETI 7. No discrimination is practised</b></p>
<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>	<p><b>Fair and equal treatment</b>          The Supplier must operate with dignity, respect and integrity in regards the treatment of its employees:</p> <ul style="list-style-type: none"> <li>• The Supplier shall not discriminate in hiring and employment practices on the grounds of criteria such as of race, colour, religion, gender, age, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests, or marital status, in line with ILO Convention No. 111 on Discrimination.</li> </ul>
<p><b>ETI 8. Regular employment is provided</b></p>	<p><b>ETI 8. Regular employment is provided</b></p>
<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 provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b></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><b>Employment practices</b>          The supplier shall only employ workers who are legally authorized to work in their facilities and are responsible for validating employees' eligibility to work through appropriate documentation.</p> <p>To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. 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, subcontracting, 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.</p> <p>In the case of employment through third party labour agencies the Supplier shall comply with Convention No. 181 of the International Labour Organization on Private Employment Agencies.</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>	
<p><b>8A: Sub-Contracting and Homeworking</b></p>	<p><b>8A: Sub-Contracting and Homeworking</b></p>
<p>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.</p>	
<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>	<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>
<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. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	<p><b>Fair and equal treatment</b> The Supplier must operate with dignity, respect and integrity in regards the treatment of its employees:  <ul style="list-style-type: none"> <li>Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated.</li> <li>The Supplier shall respect the privacy right of its employees whenever it gathers private information or implements employee monitoring practices.</li> <li>When the Supplier retains direct or contracted workers to provide security to safeguard its personnel and property, the Supplier will make sure that security personnel apply the same standards on fair and equal treatment.</li> </ul> </p>
<p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>	
<p><b>Additional Elements</b> 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.</p>	
<p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>	
<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. <i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	

<p><b>SMETA Extra Sections for 4 Pillar Audit:</b></p>	<p><b>SMETA Extra Sections for 4 Pillar Audit:</b></p>
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Environment Section	Environment Section
<p><b>B.4. Compliance Requirements</b></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><b>B4. Guidance for Observations</b></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>	<p>The Customer requires its Supplier to comply with all applicable legal environmental requirements and demonstrate continual improvement of its environmental performance.</p> <p><b>Environmental Permits and Reporting</b></p> <p>The Supplier shall make sure that it obtains, keeps current, and follows the reporting guidelines of all the required environmental permits and registrations to be at any time legally compliant.</p> <p><b>Environmental Management System</b></p> <p>The Supplier shall document and implement a relevant environmental management system (based on international standards such as ISO 14001:2004), designed to identify, control and mitigate significant environmental impacts.</p> <p><b>Hazardous Materials and Product Safety</b></p> <p>The Supplier shall identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed. Supplier shall comply with material restrictions and product safety requirements set by applicable laws and regulations. Suppliers shall ensure that key employees are aware of and trained in product safety practices.</p> <p><b>Resource Consumption, Pollution Prevention and Waste minimisation</b></p> <p>The Supplier shall optimise its consumption of natural resources, including energy and water. Supplier shall implement and demonstrate sound measures to prevent pollution and minimize generation of solid waste, wastewater and air emissions. Prior to discharge or disposal, supplier shall characterize and treat wastewater and solid waste appropriately and according to applicable laws and regulations.</p>
<p><b>Business Practices Section</b></p>	
<p><b>10C. Compliance Requirements</b></p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>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.</p>	<p>The Customer requires the Supplier to comply with all applicable ethical trade laws and regulations in the countries where materials are sourced, produced and incorporated into the Customer product ("country of use"). In case of services, the location of service delivery should prevail.</p> <p><b>Anti bribery</b></p>

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.

The Supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business or other advantage from a third Party, whether public or private. The Supplier will not pay or accept bribes, arrange or accept kickbacks and shall not take any actions to violate, or cause its business partners to violate, any applicable anti-bribery laws and regulations including the U.S. Foreign Corrupt Practices and the UK Bribery Acts.

**Grievance mechanisms**

The Supplier shall have systems in place enabling anonymous grievances, reporting and management. A designated officer shall continuously monitor the grievance mechanism, keep records on the issues raised and take appropriate actions on a confidential manner.

**Records**

The Supplier shall maintain transparent and up to date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations.

**Origin**

The supplier shall be capable to disclose all the potential sources of primary origins (country of origin) associated with deliveries made. The Customer reserves the right to ask the supplier to create, at a point of time, full supply chain mapping back to origin to facilitate assessment of upstream supply chain compliance

**Intellectual property**

The Supplier shall take appropriate steps to safeguard and maintain confidential and proprietary information of its business partners and use such information only for the purposes authorized for use by the contractual agreement. In case of sub-contracting, sharing of confidential information should be made with the consent of the Customer.

**Conflict of Interest**

The Supplier is expected to report to the Customer any situation that may appear as a conflict of interest, and disclose to the Customer if any Customer employee or professional under contract with the Customer may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.



## Photo Form

Evacuation scheme	Exit Signs	Hydrant
Work Premises First-aid kit	Extinguisher	Extinguisher



Changing room



Outside view of the warehouse



Extinguisher



Resting Area



Resting Area





Extinguisher

		
<p><i>Dedrax Varna office entrance</i></p>	<p><i>Kitchen facilities site Varna</i></p>	<p><i>Potable water – site Varna (office)</i></p>
		
<p><i>Production area site Varna</i></p>	<p><i>Finished products site Varna</i></p>	<p><i>Hot drinks machine in the production area site Varna</i></p>
		
<p><i>Fire extinguisher production area site Varna</i></p>	<p><i>Potable water production area site Varna</i></p>	<p><i>Evacuation scheme production area site Varna</i></p>



<p><i>Evacuation signs site Varna</i></p>	<p><i>Emergency door production area site Varna</i></p>	<p><i>Toilets production area site Varna</i></p>
<p><i>Toilets production area site Varna</i></p>	<p><i>First aid kit production area site Varna</i></p>	<p><i>Firefighting system production area site Varna</i></p>
<p><i>Hazardous wastes storage place production area site Varna</i></p>	<p><i>Hazardous chemicals production area site Varna</i></p>	<p><i>Fire signaling system production area site Varna</i></p>

		
<p>Extinguisher</p>	<p>Fire Alarm</p>	



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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:

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