

Sedex Members Ethical Trade Audit (SMETA) Report

Version 5.0.1 – Customer Code version, Dec 2014

Supplier name:	CARGOPLANET LTD	
Site country:	BULGARIA	
Site name:	CARGOPLANET LTD	
Parent Company name (of the site):	Not applicable	
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	13.11.2015	

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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
 - Management systems and code implementation,
 - 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 EthicsThe 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.





Audit Company Name: Bureau Veritas	Report Owner (payee): CARGOPLANET LTD
Sedex Company Reference: <i>(only available on Sedex System)</i>	Not available, no SEDEX registration
Sedex Site Reference: <i>(only available on Sedex System)</i>	Not available, no SEDEX registration

Audit Conducted By			
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Trade Union	<input type="checkbox"/>	Brand Owner	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)	

Auditor Reference Number: <i>(If applicable)</i>	Not applicable
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SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance version 5.0. Any exceptions to this are recorded here:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Methodology v.5.0 Dec 2014 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.
- (2) The audit scope was against the following reference documents
 - 2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - o *Management systems and code implementation,*
 - o *Entitlement to Work & Immigration,*
 - o *Sub-Contracting and Home working,*
 - 4-Pillar SMETA
 - o *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.

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

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

Lead auditor: Maritsa Panova (MVP)

Team auditor: Irena Gineva (IIG)

Interviewers: Not applicable

Date: 13/11/2015

Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause)		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)			Record the number of issues by line*:		
		ETI Base Code	Local Law	Additional Elements (i.e. not part of ETI code)	NC	Obs	GE
0	<u>Management systems and code implementation</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
1	<u>Employment Freely Chosen</u>	<input type="checkbox"/>	<input type="checkbox"/>				
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>				
3	<u>Safety and Hygienic Conditions</u>	<input type="checkbox"/>	<input type="checkbox"/>				
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>				
5	<u>Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>				2
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>				
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>				
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>			
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>				
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>			
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	Na	NA	NA
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>			
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>			

*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.

Summary of Findings

Summary of main findings: (positive and negative)
(Please give a short summary of the main findings per clause)

Site summary:

- The company provides marketing research services.
- The responsibility for meeting the standard requirements is to Kalina Aleva – HR Expert.
- A total of 20 workers are working in the company – all of them permanent.
- The youngest worker found on site is 28 years old.
- There is no union in the company.
- There is a worker committee in the company.
- There is no specific peak season.
- No subcontractors are used.
- 10 workers were interviewed.
- All workers stated that they are satisfied with their work in the company.
- Total of 30 pay records and working time records were reviewed
- Standard working hour's onsite are 40 per week with 2 days off.
- All workers receive payment above minimum legal wage for the country – for more information please refer to wages analysis in this report.
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GE

1. Company provides additional health insurance to all employees including medical examinations and payment of medications.
2. Company provides additional life insurance to all employees
-

Audit Details

Audit Details			
A: Report #:	01		
B: Time in and time out (SMETA Best Practice Guidance and Measurement Criteria recommends 9.00–17.00 hrs. if any different please state why in the SMETA declaration)	13.11.2015 Time in: 08.30 Time out:16.00		
C: Number of Auditor Days Used: (number of auditor x number of days)	1.5 audit days on-site – 2 auditors for 0.75 man-days 0.5 days offsite		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
E: Was the audit announced? (AAG recommends a window of three weeks for semi-announced, this gives optimum results)	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No No Sedex Registration		
If No , why not? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	No Sedex Registration		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Maritsa Panova (MVP) – Lead Auditor Irena Gineva (IIG) – Team Member		
I: Report written by:	Maritsa Panova (MVP) – Lead Auditor		
J: Report reviewed by:	Meeta Pednekar		
K: Report issue date:	3 rd December 2015		
L: Supplier name:	CARGOPLANET LTD		
M: Site name:	CARGOPLANET LTD		

N: Site country:	Bulgaria			
O: Site contact and job title:	Kalina Aleva – Administrative expert			
P: Site address: (Please include full address)	13"Karnigradska" Str, Sofia, Bulgaria			
Site phone:	+359(2)4952033			
Site fax:	+359(2)4952033			
Site e-mail:	KAleva@cargoplanet.eu			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	<ul style="list-style-type: none"> Solvency Certificate Index 216 for very good payment capability valid from November 6th 2015 Certificate No. SOF6014657/A to ISO 9001:2008 valid till 22.12.2015 Certificate No. SOF6014657 to ISO 28000:2007 valid till 01.05.2018 PIN:175142121 			
R: Products/Activities at site, for example, garment manufacture, electrical, toys, grower	Transport , forwarding and logistics			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	Kalina Aleva – Administrative expert			
U: Did the person who signed the CAPR have authority to implement changes?	Yes			
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	Kalina Aleva – Administrative expert			
W: 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			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	Not applicable			
Z: Previous audit type:		SMETA 2– pillar	SMETA 4– pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:			

Audit Scope/Actual Results

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week and month)	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: Legal Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week and month)	<ul style="list-style-type: none"> • Prolongation up to 3 hours daywork (or 2 hours nightwork) per day • Prolongation up to 6 hours daywork (or 4 hours nightwork) per week • Prolongation up to 30 hours dayshift (or 20 hours nightwork) per month 	No overtime observed at site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Legal age of employment: (Minimum legal and actual minimum age at site)	<ul style="list-style-type: none"> • 16 - 18 years for not heavy, dangerous or hazardous jobs • 15 - 16 years for easy jobs, with no risk for the proper physical, mental and moral mind development <p>Both cases (15-18) after medical examination and statement they fit for the job and with permission from local authorities</p>	No children, nor any young workers were found on site during the audit	
D: Legal minimum wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week and month)	380.00 BGN/ per month since 1 st July 2015	380.00 BGN/ per month from 1 st July 2015	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Legal minimum overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)	<p>during week - 150%</p> <p>during rest days – 175%</p> <p>during holidays – 200%</p> <p>in case of summarized calculated working hours – 150%</p>	No overtime observed during the audit.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Audit Scope <i>(Please select the code and additional requirements that were audited against during this audit)</i>	
2–Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4–Pillar	<input checked="" type="checkbox"/>
10C: Business Ethics	<input checked="" type="checkbox"/>
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.	<input checked="" type="checkbox"/>

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

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

Audit Overview

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

F: Site description: <i>(Include size, location and age of site. Also include structure and number of buildings)</i>	<p>A total of 20 employees are working in the company. There are no migrant workers. All workers are on permanent contracts. All employees are hired directly by the company.</p> <p>The working week is 5 days, 8 hours/ day. There is one working shift in the company – daily shift. The shift pattern is from 09.00 till 17.30 with 30 minutes lunch break which can be taken by the employees during the period from 12.30 till 13.00. There are two additional technological breaks 15 minutes each.</p> <table border="1" data-bbox="662 569 1446 804"> <thead> <tr> <th>Production Building no. 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Administrative offices and wc</td> <td>120 m2</td> </tr> <tr> <td>Floor 2</td> <td>Meeting Room</td> <td>20 m2</td> </tr> <tr> <td>Warehouse</td> <td>Warehouse</td> <td>600 m2</td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes – an office building</td> <td></td> </tr> </tbody> </table>	Production Building no. 1	Description	Remark, if any	Floor 1	Administrative offices and wc	120 m2	Floor 2	Meeting Room	20 m2	Warehouse	Warehouse	600 m2	Is this a shared building?	Yes – an office building	
Production Building no. 1	Description	Remark, if any														
Floor 1	Administrative offices and wc	120 m2														
Floor 2	Meeting Room	20 m2														
Warehouse	Warehouse	600 m2														
Is this a shared building?	Yes – an office building															
G: Site function:	<div> <input type="checkbox"/> Agent <input 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 checked="" type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor </div>															
H: Month(s) of peak season: <i>(if applicable)</i>	No peak season															
I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i>																
<ul style="list-style-type: none"> The company provides marketing research services. No manufacturing process carried out 																
J: 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>																
<p>10 workers were selected for interviews including 2 male and 8 female employees. They were divided in 1 group of 4 and 6 individuals.</p> <p>The interviews were conducted in a confidential atmosphere and workers felt free to talk about the working conditions in the company. They are very satisfied with their employment in the company and with the timely payment.</p> <p>Workers feel free to leave the company – they are all aware of the stipulated in the contract pre-leave notice of 30 days.</p> <p>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 the direct supervisors and the managers. Workers feel positive because they see real results from their suggestions and/ or concerns. The workers are aware of the health and safety committee in the company; they know their representatives and stated that they have good and useful communication</p>																

with the management through them as well.
K: Attitude of workers 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 – there is no union or worker committee in the company. The management do not have any concerns about having unions or worker committee in the company. This kind of representation is not very popular in Bulgaria and very few companies, usually in the high risk sectors, are unionized.
L: Attitude of managers: (Include attitude to audit, and audit process. Both positive and negative information should be included)
Open minded and calm. The management was open with the auditor – full access to the facility, records and process flow was given to the auditor.

Key Information

Key Information (click on the key information title to go to appropriate section of the report)		
A: Do all workers (including migrant workers) have contracts of employment/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were appropriate records available to verify hours of work and wages? (Go to clause 5 – Living Wage)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Were any inconsistencies found? (if yes describe nature) (Go to Wages Table)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? (Go to clause 5 – Living Wage)	Wages found: <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	Please indicate the breakdown of workforce according to earnings: 0 % of workforce earning under min wage 100 % of workforce earning min wage 0 % of workforce earning above min wage
F: % of piece rate workers: (if applicable)	Not applicable	
G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week? (Go to clause 6 – Working hours)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement? (Go to clause 6 – Working hours)	Not applicable	Approx. 100 % of ALL workers on these contacted hours Not applicable
I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found? (Go to Working Hours Analysis)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'No', please explain:	

K: Are the correct legal overtime premiums paid? (Go to Wages Table)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium
L: Please state what actual OT is paid. (As a percentage of the workers standard rate) (Go to Working Hours Analysis)	<i>Please give details of overtime premium as a % of standard wages:</i> <input type="checkbox"/> 0% <input type="checkbox"/> 1% – 115% <input type="checkbox"/> 116% – 124% <input checked="" type="checkbox"/> 125% – 199% <input checked="" type="checkbox"/> 200%+ Please give details: There is no overtime in the company.
M: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: % of workers living in site provided accommodation (if applicable):	Not applicable
O: Age of youngest worker found: (Go to clause 4 – Child labour)	29 years old
P: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
% of under 18's at this site (of total workers)	0 %
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None
R: Is it a legal requirement to have a union? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
S: Is It a legal requirement to have a workers committee? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
T: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: During the interviews workers stated that they can freely talk to the supervisors and the managers. No adverse feedback on communication was received during the interviews.
U: Are there any External Processes? (Go to clause 8A – Sub-contracting and Home working)	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process <input checked="" type="checkbox"/> No external processes

Management Systems

Management Systems:	
A: Nationality of Management	Bulgarian
B: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	1 male – 1 female
C: Majority nationality of workers	Bulgarian
D: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	1%
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If No , why not?	Not applicable
G: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No inspections from government authorities for the last 12 months were performed.
H: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The company has developed Internal Labour Rules where all the requirements for forced, child labour, discrimination, harassment, abuse, etc. are included.
I: If Yes , is there evidence (an indication) of effective implementation? Please give details.	Internal Labour Rules are available and every employee has verified with signature their acknowledgement. Copy was presented to the auditor during the audit.
J: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Internal Labour Rules are available and every employee has verified with signature their acknowledgement. Copy was presented to the auditor during the audit.
K: If Yes , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	Internal Labour Rules are available and every employee has verified with signature their acknowledgement. Copy was presented to the auditor during the audit. During the interviews it was confirmed that all employees are well aware of their rights and company's policies.

L: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
M: If Yes , are workers aware of these channels? Please give details.	Not applicable
N: Have health and safety risks been identified e.g. through internal audits, formal risk analysis process, worker involvement etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Required by the local law and strictly followed by the organization. Risk assessment is done for all job positions in the company and for all applicable risks by external company – Health and Safety Labour Service LTM LTD according to a contract. In the process of risk assessment inquiries were made to all employees in order to assess the risks for their health and safety. Upon release of the final risk assessment it is communicated to the employees during the periodical health and safety instructions/ trainings (on annual basis). Risk assessment is performed in 2014. It was communicated to employees during the Safety Group meetings. On the three months regular meetings of the group risks are reviewed and communicated to employees.
O: If Yes , has effective action been taken to reduce or eliminate these risks?	Risk assessment analysis and result from measurement of microclimate (temperature, moisture, chemical agents, air flow, etc.) are the base for developing of risk mitigation/ elimination programmes, including buying of new machines, PPEs, etc.
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: As per the requirements of the local law, there is a work-related accident logbook, where all accidents are recorded. Upon thorough investigation for the reasons, accidents are communicated to the local authorities. Extraordinary health and safety training is given to all workers in the company. No accidents in the company occurred so far. Confirmed during workers' interviews.
Q: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: There are different teams of service technicians depending on the type of work. Different services provided by the company are managed by separate technical assistants and the workload is distributed very well. All workers take regularly their full-paid leave which is prove that the work load is distributed normally during the year – checked in the HR department and during workers' interviews.
R: Does the site have all required land rights licenses and permissions (see <i>SMETA Measurement Criteria</i>)?	1. Permit № 399/ 18.10.2013 for fire safety, preventive and organizational measures to ensure fire safety in buildings on the territory of Bulgaria – valid till 18.10.2018. 2. Permit № 422/ 20.03.2014 for fire fighting activities on the territory of

	<p>Bulgaria – valid till 19.03.2019.</p> <p>3. Permit № 138/ 30.05.2012 for servicing of portable fire extinguishers, maintenance and servicing of fire fighting systems, fire signalling systems, systems for heat and smoke control and fire hydrants on the territory of Bulgaria – valid till 30.05.2017</p>
<p>S: 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>	<ul style="list-style-type: none"> • Solvency Certificate index 216 for very good payment capability valid from November 6th 2015 • Certificate No. SOF6014657/A to ISO 9001:2008 valid till 22.12.2015 • Certificate No. SOF6014657 to ISO 28000:2007 valid till 01.05.2018
<p>T: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Please describe:</p>

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	8	-	-	-	-	-	-	8
Worker numbers – female	12	-	-	-	-	-	-	12
Total	20	-	-	-	-	-	-	20
Number of Workers interviewed	10	-	-	-	-	-	-	10

Contractors:

(Individuals supplying workers to site with the workers paid by contractors, not by site)

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If Yes , how many workers supplied by contractors	Not applicable
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable
If Yes , Please give evidence for contractor workers being paid according to law:	Not applicable

Migrant Workers:

(Please see SMETA Best Practice Guidance and Measurement Criteria for definitions of migrant workers)

D: Originating Locations/Countries:	Not applicable
E: Type of work undertaken by migrant workers :	Not applicable
F: Were migrant workers recruited through an agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If yes, please give details.	Please describe: Not applicable
If Yes , is there a contract with the agency? Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.	Not applicable
G: 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 Please describe: Not applicable
H: Percentage of migrant workers in company provided accommodation:	Not applicable

Audit Results by Clause

0: Managements system and Code Implementation

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

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
 0.3 Suppliers are expected to communicate this Code to all employees.
 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.

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:

- Responsible for meeting the legal and clients code requirements is Mrs. Kalina Aleva
- Mrs. Kalina Alevas responsible for environmental issues in the company.
- There is an internal audit team – last internal audit is conducted in November 2014
- QMS management system is in place.
- Company has developed Internal Labour Rules fully complying with labour requirements.

Evidence examined:

- Client's code requirements implemented in the Internal Labour Rules – distributed to all employees. Distribution is verified through signatures.
- Client's Code is distributed to all employees via e-mail on 14.10.2015.
- All employees are aware of code – training records are available in every employee's personal file.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements
 None observed

☐ NC against Local Law

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

1: Employment is Freely Chosen

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

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 Internal Labour Rules.
- 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 at the end of the working day – company buses are provided for transportation.
- All of the above was confirmed through site tour, workers’ and management interviews.

Evidence examined:

- Personal files – no original employees documents are kept
- Internal labour rules
- Management and workers’ interviews

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law:

None observed

Local law and/or ETI requirement

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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.
- Company Internal Labour Rules 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 are aware of the 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:

- Company Internal Labour Rules
- Management interviews
- Worker interviews
- Health and Safety Group Minutes of meeting

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

A: Name of union and union representative, if applicable:	Not applicable	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
B: If no union what is parallel means of consultation with workers e.g. worker committees?	Not applicable	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
C: Were worker representatives/union representatives interviewed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many:	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Not applicable	
E: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F: If Yes what percentage by trade Union/worker representation	____% workers covered by Union CBA	____% workers covered by worker rep CBA
G: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable	

Good Examples observed:	
Description of Good Example (GE): None observed	Objective evidence observed: Not applicable

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:

- Mr. Plamen Stefanov is appointed as health and safety responsible.
- Potable water is available – it is delivered according to contract by local company.
- Sufficient toilets and bathrooms are available and segregated by gender.
- Ventilation, lighting, temperature, etc. are adequate for the production process – certificates from updated measurements by external accredited laboratory were presented.
- Minutes of regular 3 months meeting of the health and safety group were presented – respective health and safety topics and analysis were discussed during these meetings.
- There is fire fighting equipment in office – serviced on annual basis by the company. Relevant records are available.
- There are evacuation schemes and evacuation signs available – signs are automatically turning on if the electricity turns off.
- All employees participated in a practical training – minutes are available.
- There were no open electrical boards.
- No chemicals are used in the company.
- There are enough first aid kits in the company. Instruction for first aid help is available. There are trained workers. Certificates for training are available.

Evidence examined:

- Minutes of health and safety group meetings
- Training records and certificates
- Records for maintenance of fire fighting equipment
- Records from last practical training on fire safety
- Certificates for temperature, noise levels, air flow, electrical safety and grounding.
- Work-related accident logbook
- Interview with health and safety responsible
- Workers' interviews.

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law None observed Local law and/or ETI requirement Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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 29 years old.

Evidence examined:

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

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)
 Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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:

- The minimum wage in the country as from 01.07.2015 is 380.00 BGN/ month – **gross**.
- All workers' wages are paid per month. Lowest wage paid by the company is in compliance with the local law.
- Workers receive pay slips every month, copies are also kept in the accounting department.
- 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 by bank transfers – every 10th day of each month for the previous month worked.

Evidence examined:

- Internal company rules for calculation of wages
- Document review
- Worker interviews
- Payroll records for May 2015, September 2015 and October 2015
- Time records for May 2015, September 2015 and October 2015
- Labour contracts for employment
- Payslips for all workers interviewed

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:	
Description of observation: None observed Local law or ETI requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): 1. Company provides additional health insurance to all employees including medical examinations and payment of medications. 2. Company provides additional life insurance to all employees	Objective Evidence Observed: Workers' and Management interviews, Policies for health and life insurance

Wages analysis: (Click here to return to Key Information)		
A: Sample Size Checked <i>(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)</i>	10 records for October 2015 (last paid to workers) 10 records for September 2015 (randomly selected) 10 records for May 2015 (randomly selected due to lot of official holidays)	
B: Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes , please give details: Not applicable
C: If there are different legal minimum grades, are all workers graded correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If No , please give details: Not applicable
D: What deductions are required by law e.g. social insurance? Please state all types:	Pension Fund Unemployment fund Health insurance Sickness and maternity fund Additional pension insurance Income tax	
E: Have all of these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If Yes , Please list all deductions that have been made: Pension Fund – 5.7 % Unemployment fund – 0.4 % Health insurance – 3.2 % Sickness and maternity fund – 1.4 % Additional pension insurance – 2.2 % Income tax – 10%

		If No , please give details on any deductions which have not been made: Not applicable
F: Industry norm for this region: (please include time period e.g. hour/week/month)	Not applicable – no industry norm	

Wages table (Click here to return to Key information)			
Worker Type	Process Operator (Lowest paid)	Process Operator (Average paid)	Process Operator (Highest paid)
Select from individual worker records one worker from, lowest, average and highest wages and populate the boxes. Ensure comparison is made for same pay period and only uses full-time workers. See SMETA Best Practice Guidance and Measurement Criteria for completing this:			
A: Pay period: (State month selected)			
B: Anonymous Employee Reference/Dept.			
C: Employee Gender			
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)			
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)			
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)			
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)			
H: Rest day overtime – hours: (please include time period e.g. hour/week/month)			
I: Rest day overtime – wage:			

(please include time period e.g. hour/week/month)			
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)			
K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)			
L: Total overtime hours: (please include time period e.g. hour/week/month)			
M: Incentives/Bonus/ Allowances etc.: (please include time period e.g. hour/week/month)			
N: Gross wages: (please include time period e.g. hour/week/month)			
O: Social insurance and other deductions; please list which and amount.			
P: Actual wage paid after deduction: (please include time period e.g. hour/week/month)			
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
IT WAS VERIFIED DURING THE AUDIT THAT ALL SALARIES ARE ABOVE THE MINIMUM SET FOR THE COUNTRY. THE MANAGEMENT DOES NOT AGREE WAGES TO BE PUBLISHED IN THE AUDIT REPORT.			
Q: Is there a defined living wage: 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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
R: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
S: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:		

	Contracts of employees on same position were reviewed. Contracted wages for equal positions are equal. Additional bonuses (if any) given are also equal. No discrepancies were found.
T: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

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 systems:

- Through workers' interviews, there is no OT in the company.
- Hours and wages records provided for the last 12 months: November 2014 – October 2015 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:

- 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.

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

None observed

Objective Evidence Observed:

Not applicable

Working hours analysis			
Please include time period e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Paper records are filled in and kept by the accounting department.		
B: Sample Size Checked (State number of worker records checked and from which weeks/months and type – should be current, peak and random/low: See SMETA Best Practice Guidance and Measurement Criteria)	10 records for October 2015 (last paid to workers) 10 records for September 2015 (randomly selected) 10 records for May 2015 (randomly selected due to lot of official holidays)		
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, state which type of workers do NOT have contracts/employment agreements: Not applicable	
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please state which type of workers NOT standard hours have defined in contracts/employment agreements. Not applicable	
E: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Please complete as appropriate: <div> <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other </div> If "Other", Please define: Not applicable	
Standard/Contracted Hours worked			
F: Do standard/contracted standard hours ever exceed the law or 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES give details and comparison (local law/48 hrs week) Not applicable	
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours: Lowest hours:	40 hours/ week 40 hours/ week	
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Please give details Not applicable	

site?								
Overtime Hours								
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	There is no overtime of the company						
	Lowest OT hours:	There is no overtime of the company						
J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	___ to ___ in ___ (month) ___ to ___ in ___ (month) ___ to ___ in ___ (month) Not applicable							
K: Approximate percentage of workers on highest overtime hours	___ % Not applicable							
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:						
		Described in the Business Ethic Code and Labour contracts. Confirmed during workers' interviews.						
Overtime Premiums								
M: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please give details of normal day overtime premium as a % of standard wages:						
		<table border="1"> <tr> <td><input type="checkbox"/> 0%</td> <td><input type="checkbox"/> 1 – 115%</td> <td><input type="checkbox"/> 116 – 124%</td> <td><input type="checkbox"/> 125 – 149%</td> <td><input checked="" type="checkbox"/> 150 – 199%</td> <td><input checked="" type="checkbox"/> 200%+</td> </tr> </table>	<input type="checkbox"/> 0%	<input type="checkbox"/> 1 – 115%	<input type="checkbox"/> 116 – 124%	<input type="checkbox"/> 125 – 149%	<input checked="" type="checkbox"/> 150 – 199%	<input checked="" type="checkbox"/> 200%+
		<input type="checkbox"/> 0%	<input type="checkbox"/> 1 – 115%	<input type="checkbox"/> 116 – 124%	<input type="checkbox"/> 125 – 149%	<input checked="" type="checkbox"/> 150 – 199%	<input checked="" type="checkbox"/> 200%+	
Any other comments: No OT in the company, but in the Internal Labour Rules it is described that it is paid as per the law: during week days – 150% during rest days – 175% during holidays – 200%								
N: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium <u>and</u> this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<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 Not applicable							
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.							
	Not applicable							

Rest Days		
O: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Maximum number of days worked without a day off (in sample):</i> 5 days per week
Total Hours		
P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)	Highest total hours	152 hours/ month for May 2015 (19 working days) 168 hours/ month for September 2015 (21 working days) 176 hours/ month for October 2015 (22 working days)
	Lowest total hours	152 hours/ month for May 2015 (19 working days) 168 hours/ month for September 2015 (21 working days) 176 hours/ month for October 2015 (22 working days)
R: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons Not applicable	
	Please explain any checked boxes in R above	
	Not applicable	
Comments: (please state here any specific reasons/circumstances that explain the highest working hours)		
Not applicable – there is no overtime in the company		

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.
- The female-male ratio in the company is 8 male – 12 female which is well balanced for the industry in which company operates.
- No adverse feedback on discrimination was received during the workers' interviews.
- Anti-discrimination policies are part of the Internal Labour Rules 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:

- Internal Labour Rules
- Attendance records
- Payrolls for male and female on same position.
- Training records

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:

<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>
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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.

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.
- All workers have temporary contracts – signed by them.
- No home workers or apprenticeship schemes were identified.
- No subcontractors are used.

Evidence examined:

- Personal files of employees
- Payrolls
- Job announcements
- Workers' interviews

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law

None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Objective evidence observed:

Not applicable

Not applicable	
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Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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.

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 subcontracting in the company.
- All processes are performed by the company.
- Policies on subcontracting are part of the Purchasing requirements set in the QMS of the company.

Evidence examined:

- QMS documentation
- Processes records
- Site tour
- Management interview

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI/Additional elements requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Summary of sub-contracting – if applicable	
A: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details:
B: Number of sub-contractors/agents used	Not any
C: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: Part of the QMS documentation of the company
D: What checks are in place to ensure no child labour is being used and work is safe?	Verification of IDs before hiring Internal Labour Rules with policy on child labour
E: What processes are sub-contracted?	None

Summary of homeworking – if applicable			
F: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details:		
G: Number of homeworkers	Male: 0	Female: 0	Total: 0
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents Not applicable		
I: If through agents, number of agents	Not applicable		
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
K: How does site ensure worker hours and pay meet local laws for homeworkers?	Not applicable		
L: What processes are carried out by homeworkers?	Not applicable		
M: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		
N: Are full records available at the	<input type="checkbox"/> Yes		

site?	<input type="checkbox"/> No Not applicable
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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.

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 per the Labour Code, article 188, there are three types of disciplinary practices: Observation/ remark' Dismissal warning and Dismissal.
- Company Internal Rules Labour Rules describe in details the above disciplinary practices. For the last year no disciplinary practices were observed – verified through records in HR department and during workers' interviews.
- All workers can make suggestions directly to the supervisors and the managers. No information for grievances known so far.

Evidence examined:

- Internal Labour Rules
- Workers' interviews

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law
None observed

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)
Not applicable

Observation:

Description of observation:

None observed

Local law or ETI requirement:

Not applicable

Comments:

Not applicable

Objective evidence observed:

Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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

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

Additional Elements

10A1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.
 10A3 Employment agencies must only supply workers registered with them.
 10A4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

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 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.
- No agency or foreign workers are used in the factory.

Evidence examined:

- Internal Labour Rules
- Personnel files
- Interviews with workers and management

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local Law

None observed

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence

observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None observed

Local law or ETI/Additional Elements requirement:

Not applicable

Comments:

Not applicable

Objective evidence

observed:

Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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 Suppliers as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2. Where it is a legal requirement, suppliers 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. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.

B4. Guidance for Observations

10B4.4. Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.5. Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.6. Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.7. 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).

10B4.8. Suppliers shall seek to make continuous improvements in their environmental performance.

10B4.9. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation

10B4.10. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.

10B.4.11. Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

- The company is a service provider – there are no specific environmental requirements for this type of activities.
- Policies on water and electricity usage are in place.
- Company site tour showed good management of general wastes.
- Responsible for environmental issues in the company is Mrs. Kalina Aleva
- No inspections from relevant authorities are performed as there are no permits required for this type of activities.

Evidence examined:

- Site tour
- Waste bins for different wastes
- Storage areas for wastes

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local None observed Local law and/or ETI/Additional Elements requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None observed Local law or ETI/Additional elements requirements: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

Environmental Analysis	
(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)	
A: Responsible for Environmental issues (Name and Position):	Mrs. Kalina Aleva
B: 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 Details:
C: Does the site have an Environmental policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The company holds certification in ISO 9001:2008
F: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable Details: No permits are required for this type of activities.
G: 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 Details:
H: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Incorporated in the Internal Rules at workplace. Well known as the manager used to work within the present client's company.

Usage/Discharge analysis		
Criteria	Current year: January 2015 – November 2015	Previous Year: 2014
Electricity Usage: Kw/hrs	Cannot be calculated – paid by the landowner	Cannot be calculated – paid by the land owner
Renewable Energy Usage: Kw/hrs	None	None
Gas Usage: Kw/hrs	None	None

Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	Not applicable	Not applicable
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> Local water supply company 	<ul style="list-style-type: none"> Local water supply company
Water Volume Used: (m ³)	Cannot be calculated – paid by the land owner	Cannot be calculated – paid by the land owner
Water Discharged: <i>Please list all receiving waters/recipients.</i>	City canalization	City canalization
Water Volume Discharged: (m ³)	Not applicable	Not applicable
Water Volume Recycled: (m ³)	Not applicable	Not applicable
Total waste Produced <i>(please state units)</i>	No permit is required and no information is available	No permit is required and no information is available
Total hazardous waste Produced: <i>(please state units)</i>	Not applicable	Not applicable
Waste to Recycling: <i>(please state units)</i>	Not applicable	Not applicable
Waste to Landfill: <i>(please state units)</i>	Not applicable	Not applicable
Total Product Produced <i>(please state units)</i>	Not applicable	Not applicable

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Guidance for “Observations”

10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.

10C.2. The supplier should have received and acknowledged– preferably in writing – the Business Ethics policy of the auditor/audit company.

10C.3. Suppliers shall seek to conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.4. Suppliers shall be aware of any applicable laws, their end client's Business Ethics standards/code requirements and have a system in place to monitor their performance against these.

10C.5. Supplier should have a Business Ethics policy concerning bribery, corruption, or unethical Business Practice. This should be clearly communicated to all relevant parties.

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

10C.7. Suppliers should have a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter

10C.8. 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.

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 and the main requirement is to gather information on the relevant Business Ethics issues in a supply chain. All findings will be recorded as observations not Non- Compliances and the data collected will allow the membership to define appropriate standards over time as part of a continuous review process.

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 provided the auditor with the SAQ.
- 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
- Training records

Observation	
Description of observation: None observed Local law or ETI/Additional elements requirement: Not applicable Comments: Not applicable	Objective evidence observed: Not applicable

Good examples observed:	
Description of Good Example (GE): None observed	Objective Evidence Observed: Not applicable

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: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)	1 group of 4	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 2	Female: 4
E: Total number of interviewed workers (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 2	Female: 8
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?	Nil	
I: What did the workers like the most about working at this site?	Timely payment, free transportation, free food vouchers, additional health insurance.	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	Workers are very satisfied with the working hours and the timely payment	

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site)</i>	
A: Number of agencies used (average):	Not applicable And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable

Other findings

Other Findings Outside the Scope of the Code
None

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
None

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code	Customer's Supplier Code equivalent
<p>ETI 1. Employment is freely chosen</p> <p>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.</p>	<p>ETI 1. Employment is freely chosen</p> <p>Forced labour 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>ETI 2. Freedom of association and the right to collective bargaining are respected</p> <p>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</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p> <p>Freedom of Association and Collective Bargaining 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>representative functions in the workplace.</p> <p>2.4. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<p>3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2. Workers shall receive regular and recorded health and 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 and safety to a senior management representative.</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>Workplace Environment</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>Housing Conditions & Respect of Privacy</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>Emergency preparedness</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>
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<p>4.1. There shall be no new recruitment of child labour.</p> <p>4.2. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child</p>	<p>Minimum age for employment</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</p>

<p>labour to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in the appendices.</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>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.</p> <p>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>
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<p>5.1. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2. All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	<p>Wages and benefits</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>
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> <p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p>	<p>Working time and rest days</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>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<p>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>Fair and equal treatment The Supplier must operate with dignity, respect and integrity in regards the treatment of its employees:</p> <ul style="list-style-type: none"> • 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.
<p>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</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>Employment practices 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.</p> <p>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>

ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.	<p>Fair and equal treatment</p> <p>The Supplier must operate with dignity, respect and integrity in regards the treatment of its employees:</p> <ul style="list-style-type: none"> • Any form of psychological, physical, sexual or verbal abuse, intimidation, threat or harassment must not be tolerated. • The Supplier shall respect the privacy right of its employees whenever it gathers private information or implements employee monitoring practices. • 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.

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>D1. Suppliers as a minimum shall meet the requirements of local and national laws related to environmental standards.</p> <p>D2. Suppliers shall seek to make continuous improvements in their environmental performance.</p> <p>D3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.</p> <p>D4. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation.</p> <p>D5. Suppliers should be aware of the significant environmental impacts of their site and its processes.</p> <p>D6. Suppliers should have an environmental policy, covering its environmental impacts, which are communicated to all appropriate parties, including their own suppliers.</p> <p>D7. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.</p> <p>D8. Where appropriate suppliers must be able to demonstrate that they have the relevant valid permits for use and disposal of resources e.g. water, waste, etc.</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>Environmental Permits and Reporting</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>Environmental Management System</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>Hazardous Materials and Product Safety</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>Resource Consumption, Pollution Prevention and</p>

	<p>Waste minimisation</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>
Business Practices Section	Business Practices Section
<p>E1. As a minimum, suppliers must comply with the requirements of local and national laws and regulations in the area of business integrity.</p> <p>E2. Suppliers shall seek to conduct their business ethically without bribery, corruption or any other type of fraudulent or unfair business practice.</p> <p>E3. Suppliers shall be aware of their end client's business integrity standards/code requirements and have a system in place to monitor their performance against these.</p> <p>E4. Suppliers should have a business integrity policy concerning bribery, corruption or unethical business practice. This should be clearly communicated to all relevant parties.</p> <p>E5. Suppliers should have a transparent system in place for confidentially reporting, and dealing with, unethical business practices, without fear of reprisals towards the reporter.</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>Anti bribery</p> <p>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.</p> <p>Grievance mechanisms</p> <p>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.</p> <p>Records</p> <p>The Supplier shall maintain transparent and up to date books and records to demonstrate compliance with applicable materials, services, governmental and industry regulations.</p> <p>Origin</p> <p>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</p>

	<p>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.</p> <p>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.</p>
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Photo Form

		
Company's office	Offices	Water
		
Kitchen facility	First aid kit	Warehouse
		
First aid kit – warehouse	Safety signs – warehouse	Warehouse

		
Warehouse – resting area	Warehouse – resting area	WC
		
Ethic Policy	Fire extinguisher	Fire extinguisher

**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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