




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	Non-member	Sedex Site Reference: <i>(only available on Sedex System)</i>	Non-member
Business name (Company name):	TONY K EOOD		
Site name:	TONY K EOOD		
Site address: <i>(Please include full address)</i>	48, Trakia str. Plovdiv 4000	Country:	Bulgaria
Site contact and job title:	Anton Kyosev, General Manager		
Site phone:	+359 (0)642 070	Site e-mail:	office@tony-k.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	27-28 November 2019		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  <b>TONY K EOOD</b>
--	---

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

## Audit Content:

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

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

### 2-Pillar SMETA Audit

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

### 4-Pillar SMETA

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

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

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

## SMETA Declaration

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

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

Any exceptions to this must be recorded here (e.g. different sample size): none

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

Lead auditor: Svetlana Slavova, APSCA Registered Auditor: 21701291

Team auditor: Veronika Grozdanova APSCA number: RA21701114

Interviewers: Veronika Grozdanova APSCA number: RA21701114

Report writer: Svetlana Slavova, APSCA Registered Auditor: 21701291

Report reviewer: Tatyana Takeva, Head of operations and report reviewer

Date of declaration: 28 November 2019

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

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

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <b>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</b>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		-	-	None observed
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
3. <a href="#">Safety and Hygienic Conditions</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
5. <a href="#">Living Wages and Benefits</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
6. <a href="#">Working Hours</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	-	-	-	None observed
8. <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed
8A <a href="#">Sub-Contracting and Homeworking</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed

9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed
10A	Entitlement to Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed
10B2	Environment 2-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	N/A	N/A	Not applicable
10B4	Environment 4-Pillar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed
10C	Business Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	-	-	-	None observed

General observations and summary of the site:

TONY K EOOD was the subject to this SMETA 4-pillars audit conducted on 27-28 of November 2019. The site's systems and operations were verified against the requirements of the Bulgarian legislation and the ETI base code. There is well structured and implemented internal system of social accountability of the TONY K EOOD, including own Social policy, H&S Policy, Environmental Policy, Discrimination policy, Harassment and abuse policy, Disciplinary policy, Rules of employment, Child labor policy, Forced labor policy, Anti-corruption policy, Drug and human trafficking policy, Social Compliance, Assessment Policy, Complaints policies and procedures, Security Policy (Anti-terrorism and Branded Materials), Documents' Management and Records' Management Policy, Wage policy.

The factory was started back in 1997 as ET ANTON KYOSEV and transformed as TONY K EOOD in 2004.

The audit was conducted on announced basis and the management team attended the opening meeting, including Anton Kyosev – General Manager, Radosveta Uzunova – HR Manager, Albena Ivanova -Production Manager, Galina Yordanova – worker representative, Dimitar Dimitrov – H&S, Fire safety and environmental responsible person attended the meetings and took part in the audit process.

This was an initial SMETA 4-pillars audit. The previous CSR audit was conducted in March, this year, regarding client's requirements.

The facility is specialized in the design, development and production of men's, woman's and children's underwear. The factory's production workshops can be divided as follow: cutting department; sewing departments; quality control; packing department; testing laboratory; design and development department.

Facility has partial implemented Quality management, Environmental management and Occupational health and safety management systems. Management systems are not certified currently.

The facility is certified for environmental compliance by Hohenstein Textile Testing Institute - OEKO TEX STANDARD 100 Certificate 06. RD.47179, valid until 31.10.2020

Their Tax ID number BG115749476 issued by Ministry of Justice, Registry Agency with no expiry date.

Production processes observed in TONY K EOOD are raw material storage and processing, design, development and production of women's, men's and children's underwear; packaging; testing and quality control. The machinery is observed very well maintained.

The facility has 3 management employees, and a total of 168 permanent employees (18 men and 150 woman).

There are no non-employee workers onsite.



All employees are with Bulgarian citizenship and are with Bulgarian ID cards.

The overall social compliance responsibility is assigned to Mr. Anton Kyosev.

The youngest employee in the facility is female production worker, currently is 31 years of age; hired in 2008 at the age of 20.

There are no Trade Unions presented in the facility.

There is a Health and Safety Committee which representatives also act as mediators in case of H&S breaches.

The facility operates in one production shift from 8:00 to 17:00 from Monday to Friday with 3 breaks (45 min lunch break and 2 breaks, total of 25 minutes, in the morning and in the afternoon. There are also small (physiological) breaks assigned to different positions and areas in place. The management and administration/office work from 8:00 to 17:00 as well. For all employees, Saturday and Sunday are days off.

Standard hours on site are 8 hours per day, 40 hours per week.

Company has installed electronic recording of time in and time out of each employee with cards, that allows proper verification of hours worked for all workers. Time records were available for the last 12 months, therefore verification of all hours worked was accurate and complete.

The sampled months for the audit purposes are October 2019 (last paid month), July 2019 (random month) and February 2019 (random month). A total of 26 employees were sampled, and personnel files, payroll and time records were checked. Interviews with the 26 workers were conducted as 6 individually performed and 4 groups of 5 interviewees.

There are no employees paid below the official minimum wage rate for Bulgaria: 560 BGN since January 2019. All sampled workers were observed with valid signed individual labour contracts. There are 63% piece-rate workers. All legally required taxes, social/pension securities are transferred to the National Revenue Agency on a monthly base.

The performed overtime work hours, observed in sample, is as follows:

- 0 to 0 hours in October 2019 (last paid month) for all sampled workers (verified by time records and employee interviews).

- 0 to 0 hours in July 2019 (random month) for all sampled workers (verified by time records and employee interviews).

- 0 to 0 hours in February 2019 (random month) for all sampled workers (verified by time records and employee interviews).

The reviewed sampled labour contracts clearly state all required requisites: duration of work schedule, annual leave per year, wage and wage calculation methodology. Upon change in conditions, annexes to the contracts are issued and signed. Each month all employees receive detailed pay slips. All interviewed employees confirmed that they understand their pay slips and contracted conditions.

No any original documents are kept by the site. Registration of the contracts with the Employment Agency is done in a timely manner.

No apprentices or young workers are employed by facility. There is Child labour policy that specifically states all employees should be above the age of 18 years.

No discrepancies observed between the time records and financial documentation checked. No unauthorized withholdings or discipline sanctions observed.

No child labour, forced/prison labour, inhumane treatment or restrictions observed or reported during the employees' interviews.

Emergency preparation of the facility is at a very high level, also regular maintenance takes place. Periodic, planned and initial H&S trainings are conducted regularly, and records are maintained. First aid kits are provided in all work premises and tested sufficiently supplied. The facility has a detailed Risk assessment of the workplace, machinery and processes. Periodic occupational health checks are performed. Fire extinguishers/fire hydrants inspections are regularly performed. Fire drills are performed for all employees. The facility is equipped with a centralized fire alarming system, with alarm activation

buttons and fire detectors; all equipment is regularly inspected. Evacuation plans are posted around the facility. There is also a trained firefighting team onsite. Testing of the occupational health hazards is regularly performed and results in the legally defined limits. Facility uses chemicals for spot cleaning and laboratory testing, oils, cleaning chemicals, etc. MSDS are available at all points of chemicals use, and chemical waste is properly handled and disposed through licensed contractors. The facility declares that no subcontractors are used.

Non-conformities found:

None observed.

Observations:

None observed.

Good examples observed:

None observed.

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



## Site Details

Site Details			
A: Company Name:	TONY K EOOD		
B: Site name:	TONY K EOOD		
C: GPS location: (If available)	GPS Address:	Latitude: 42° 08' 24" N Longitude: 24° 43' 56" E	
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Tax ID number BG115749476 issued by Ministry of Justice, Registry Agency with no expiry date		
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	garment manufacture  design, development and production of women's, men's and children's underwear		
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Production Building no 1	Description	Remark, if any
	Floor 1	warehouse	575 sq.m.
	Floor 2	warehouse and design and development department	575 sq.m.
	Floor 3	packing	575 sq.m.
	Floor 4	production departments – cutting and sewing	575 sq.m.
	Floor 5	production departments – sewing	575 sq.m.
	Is this a shared building?	no	

	Production Building no 2	Description	Remark, if any
	Floor 1	warehouses/shared floor	1400sq.m.
	Floor 2	cutting department	1400sq.m.
	Floor 3	production department	1400sq.m.
	Floor 4	production department	1400sq.m.
	Floor 5	hotel	shared floor
	Floor 6	hotel	shared floor
	Floor 7	hotel	shared floor
	Floor 8	hotel	shared floor
	Is this a shared building?	yes	1 <sup>st</sup> floor is shared with shops and restaurant 5 <sup>th</sup> , 6 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> floor are used as a hotel
	<p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Not such identified during the audit.</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details:            Permit of use #104/27.04.1999            Notary deed YY97/850/2001            Permit of use #216/18.08.2004            Permit of use #28.06.2004</p>		
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season: (if applicable)	There is no identified peak season, all months are around same volume of manufacturing according to orders and capacity		
I: Process overview:	The production processes are receiving of raw materials, quality control of raw materials, cutting, sewing, ironing, quality		

<p><i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p>	<p>control, packing, storage of finished products. Sample of different models are prepared on site in design department. Machines, used in production: cutting lines - automated and manual; sewing machines, zig-zag machines; overlock; flat machines; Pont; machine button; for thread cleaning; ironing tables; and others - more than 500 pcs.</p>
<p>J: What form of worker representation / union is there on site?</p>	<p> <input type="checkbox"/> Union (name)  <input checked="" type="checkbox"/> Worker Committee  <input type="checkbox"/> Other (specify)  <input type="checkbox"/> None         </p>
<p>K: Is there any night production work at the site?</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No         </p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No            L1: If yes, approx. % of workers in on site accommodation         </p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No            M1: If yes, approx. % of workers         </p>
<p>N: Were all site-provided accommodation buildings included in this audit</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> N/a            N1: If no, please give details         </p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 8:30 Day 1 Time out: 17:00	Day 2 Time in: 8:30 Day 2 Time out: 12:30	Day 3 Time in: N/A Day 3 Time out: N/A
B: Number of auditor days used:	1 Lead Auditor x 1.5 man-days 1 Auditor x 1 man-day total 2.5 man days		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not: The facility is not registered in SEDEX therefore has no access to SAQ		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause  Not applicable		
G: Who signed and agreed CAPR (Name and job title)	Anton Kyosev, General Manager		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	25-26 March 2019		
J: Previous audit type:	Client's CSR audit		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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>	N/A – workers' representative attended		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There is no union at the facility and that is not a legal requirement		

## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	18	0	0	0	0	0	0	18
Worker numbers – female	150	0	0	0	0	0	0	150
Total	168	0	0	0	0	0	0	168
Number of Workers interviewed – male	3	0	0	0	0	0	0	3
Number of Workers interviewed – female	23	0	0	0	0	0	0	23
Total – interviewed sample size	26	0	0	0	0	0	0	26





A: Nationality of Management	Bulgarian	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: Bulgarian B2: Nationality 2: Not applicable	Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods: N/a
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1: 100% C1: approx % total workforce: Nationality 2 : 0%	
D: Worker remuneration (management information)	D: 63% workers on piece rate D1: 0% hourly paid workers D2: 37% salaried workers  Payment cycle: D3: 0% daily paid D4: 0% weekly paid D5: 100% monthly paid D6: 0% other D7: If other, please give details	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	4 groups of 5 workers (20 workers)
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 3      D2: Female: 3
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
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?	All interviewed workers express very positive attitude towards the management and the site. No complaints were raised or discussed.
I: What did the workers like the most about working at this site?	Calm environment, timely payment of wages, respectful relationships with management. Variety of benefits and bonuses under the agreed piece rate system.
J: Any additional comment(s) regarding interviews:	Workers were confident, open and freely shared opinions and experiences.
K: Attitude of workers to hours worked:	Working hours are 40 per week, no overtime work was performed which is appreciated.
L. Is there any worker survey information available?	
<input checked="" type="checkbox"/> Yes	

No

L1: If yes, please give details: There is yearly satisfaction evaluation in the form of meeting with discussion. Management has open door policy and regularly collects workers' opinion. Workers also shared that they feel free to discuss directly any concerns.

M: Attitude of workers:

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

Sampled employees interviewed were 26 in total: 6 individually and 4 groups of 5 employees. Interviews were conducted in private room. Employees were informed of the confidentiality of opinion/information shared. They stated that salaries are always on time, leave is granted upon request, working time and breaks are observed, there is no overtime work. Piece rate system is clear, and bonuses are correctly processed. Employees said that they feel free to share personally any concerns they have with their supervisors and the workers' representatives. They recognise and appreciate workers representatives. No forms of discrimination or unfair activities were observed or reported by operators.

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

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

General attitude of the worker representative was positive. She stated they could give suggestions on all parts of the site's practices. They participate in the development of the internal labour regulations and the internal wage rules.

There are no trade unions.

Workers have the right and freedom to choose their representatives. Last election of members of Worker Committee (4 members) is performed on 19.10.2017.

O: Attitude of managers:

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

Management and administration were very well prepared for the audit, quite experienced and available during the whole audit. They were very supportive and open during the audit process. Full access to all premises and documentation was allowed. Pictures were taken with management permission. All questions were discussed and cleared. No bribery or misleading attempts occurred.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

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

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

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

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

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

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

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

### Current Systems and Evidence Examined

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

#### Current systems:

The facility has adopted and applies International Labor Standards – ILO.

A Human Rights Policy has been developed that covers respect for human rights; forced labor and human trafficking; discrimination; child work; safe working conditions; workplace safety; freedom of association and collective bargaining; working hours, salaries and wages; reporting of complaints; protection of personal data. All employees are aware they have declared a signature.

Also a Social Responsibility Policy has been developed that covers Prohibition of Child Labor has also been developed; a ban on forced and forced labor; respect for and respect for human rights and fundamental freedoms as defined in the Universal Declaration of Human Rights; Protection of generally accepted human activities; ensuring healthy and safe working conditions for its employees; freedom of association and the right to bargain collectively; prohibition of discrimination; prohibition of unlawful social practices; staff development and motivation; job creation; ensuring payment security; maintaining adequate remuneration and timely payment of salaries, taxes and social security contributions; formulating rules for building business ethics; responsibility for carrying out charitable activities; maintaining fruitful interaction with the public, local authorities, business associations, educational and expert institutions. All employees are familiar, they have declared with a signature.

The facility has designated persons for implementing standards concerning Human rights – Mr. Anton Kyosev – General Manager and Mrs. Radosveta Uzunova – HR Manager.

The supplier has identified its stakeholders and relevant rights holders within them, and its salient human rights issues.

The facility has suggestion box installed near the working premises, where workers can report any grievances. On the company website stakeholders can also report complaints and make suggestions with guaranteed confidentiality. Any received complaint is handled by management, without any reprisal for the worker or reporter in question.

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

Details:

Posted ETI Base Code

Management and worker interviews.

Compliance policy and procedure

Human Rights Policy

Social Responsibility Policy

Order No. 014 / 24.07.2019 - Rules and Processes for Implementing the Suggestion and Complaints Policy

Order №15 / 24.07.2019 - familiarizing staff with the company policy on global labor standards and principles

Any other comments: No other comments

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please give details:                  Human Rights Policy and Social Responsibility Policy</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details:                  Name: Anton Kyosev                  Job title: General Manager                  Name: Radosveta Uzunova                  Job title: HR Manager</p>
<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please give details:                  Compliance policy and procedure</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  E1: Please give details:                  Internal rules for the protection of personal data, part of Human Rights Policy</p>

Findings		
<p><b>Finding: Observation</b> <input type="checkbox"/></p> <p><b>Description of observation:</b></p> <p>None observed</p>	<p><b>Company NC</b> <input type="checkbox"/></p>	<p><b>Objective evidence observed:</b></p> <p>None observed</p>

<p><b>Local law or ETI/Additional elements / customer specific requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	
---	--

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



## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2018 3%	A2: This year: 2019 3.43%
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	3.68%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 22.50%	C2: This year: 2019 20.70 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	24.62%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Specific injury register, no accidents.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: 2018 Number: 0	F2: This year: 2019 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 2018 0	H2: This year: 2019 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0% workers	I2: 12 months 0% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 0% workers

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

ETI base code was observed posted and available to the employees. Suppliers and customers are familiar with the adoption of the Code through the e-mails.  
 ILO (International Labor Standards) are implemented.  
 Facility has developed and implemented its own Social policy, H&S Policy, Environmental Policy, Discrimination policy, Harassment and abuse policy, Disciplinary policy, Rules of employment, Child labor policy, Forced labor policy, Anti-corruption policy, Drug and human trafficking policy, Social Compliance, Assessment Policy, Complaints policies and procedures, Security Policy (Anti-terrorism and Branded Materials), Documents' Management and Records' Management Policy, Wage policy.  
 Monthly audits to verify and analyze whether policies are carried out.  
 The facility has a valid business license and registration.  
 Facility declared that no subcontractors are used.  
 Facilities' HR issues regarding employee selection and contract arrangements are managed by Mrs. Radosveta Uzunova, HR Manager  
 The responsible persons for overall social issues are Mr. Anton Kyosev, General Manager and Mrs. Radosveta Uzunova, HR Manager.  
 External law specialist is responsible for following the changes in applicable labour laws and regulations and informing management.  
 Facility monitors staff turnover; worker performance; material consumption; water and electricity consumption; waste generation and etc.  
 Facility has partial implemented Quality management, Environmental management and Occupational health and safety management systems. Management systems are not certified currently.  
 The facility is certified for environmental compliance by Hohenstein Textile Testing Institute - OEKO TEX STANDARD 100 Certificate 06.RD.47179, valid until 31.10.2020  
 Facility is not a SEDEX member, therefore SAQ was not found available for review.

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

Details:

- Discrimination policy
- Harassment and abuse policy
- Disciplinary policy
- Rules of employment
- Child labor policy
- Forced labor policy

Anti-corruption policy  
 Drug and human trafficking policy  
 Social Compliance Assessment Policy  
 Complaints policies and procedures  
 Security Policy (Anti-terrorism and Branded Materials)  
 Document Management and Records Management Policy  
 Wage policy  
 Social policy  
 H&S Policy  
 Environmental Policy  
 Diary for control of compliance with the policy of wage - 10.09.2019,14.10.2019,15.11.2019  
 Protocols of Control of compliance with the policy of Social Responsibility - 15.11.2019,14.10.2019, 09.11.2019  
 Site tour  
 Management interview  
 Worker's interviews  
 Posted ETI Base code  
 Order 15/24.07.2019 - familiarizing staff with the company policy on global labor standards and principles  
 OEKO TEX STANDARD 100 Certificate 06.RD.47179, valid until 31.10.2020

Any other comments: No other comments

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details:
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: company own policies Discrimination policy Harassment and abuse policy Disciplinary policy Rules of employment Child labor policy Forced labor policy
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Though employment contract, no child labor under the age of 16 years old employed. The youngest sampled employee working at the facility is 31. No issues according forced labour, child labour, discrimination, harassment & abuse were noticed during the audit.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: posted ETI Base code; regular trainings
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: training records,

	<p>Worker's interviews Management interview internal monthly audits</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details:</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: Mrs. Radosveta Uzunova, HR Manager</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Anton Kyosev, General Manager</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: protection of personal data – part of Human right Policy</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: All employees' private information such as personal identity information managed by HR. Without permission, nobody can review.</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: internal monthly audits</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Management/worker representative meetings.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility has communicated the ETI Base Code and BA Code of Conduct in appropriate manner to suppliers</p>
<p><b>Land rights – N/A facility uses leased buildings and land</b></p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:</p>

O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details:
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC:
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details:
R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details:
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input type="checkbox"/> No S1: Please give details:

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

Observation:	
<p><b>Description of observation:</b> None observed   <b>Local law or ETI requirement:</b> Not Applicable   <b>Comments:</b> Not Applicable</p>	<p><b>Objective evidence observed:</b>                      None observed</p>

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

**1: Freely Chosen Employment**

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

**ETI**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Facility had adopted and disseminated the ETI Base Code which prohibits children's, forced, prison labour. Also, Internal Rules and procedures and company policies clearly state that employment is freely chosen and that no forced or involuntary labours are allowed. No such cases observed during the site tour or reported during the interviews.

Upon hire employees are acquainted with the Internal Rules and Company Policies. All employees are hired directly by the facility.

There is no Collective bargaining agreement on site. All employees sign individual labor contracts. The contracts comply with the Bulgarian Labour Law – probation period is 6 months and leave notice is one month.

All contracts have the legally required information regarding working time, annual leave, wage and payment conditions, holidays, termination conditions, and ect. Employment contracts follow legal requirements.

The facility verifies all employees' original ID cards at the time of recruitment. No original personal documents were observed in the personnel files.

There is no prison labour on site. Employees are free to leave the facility upon the end of the working day. Overtime is voluntary and announced in advance.

The above was confirmed in management and employee interview.

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

Details:

Posted ETI Base Code

Management and worker interviews.

Employees' personnel files – for the 26 sampled employees

Employees interviews with 26 employees

Human rights policy

Social responsibility policy

Rules of employment

Drug and human trafficking policy

Any other comments: No other comments.

A: Is there any evidence of retention of original documents, e.g. passports/ID's

- Yes
- No

A1: If yes, please give details and category of workers affected:



B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding: No any part of business in UK.
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please describe finding:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: Social responsibility policy and Human right policy are communicated to suppliers.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Facility hires directly all its employees and checks their official personal documents. Drug and human trafficking policy is implemented.

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

<b>Observation:</b>	
<p><b>Description of observation:</b> None observed</p>	<p><b>Objective evidence observed:</b></p>

<p><b>Local law or ETI requirement:</b> Not Applicable</p> <p><b>Comments:</b> Not Applicable</p>	<p>None observed</p>
---	----------------------

<p style="text-align: center;"><b>Good Examples observed:</b></p>	
<p>Description of Good Example (GE): None observed</p>	<p><b>Objective evidence observed:</b> None observed</p>

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

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

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

**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:**

Freedom of association and collective bargaining are part of the company Human rights policy and Social responsibility policy.  
 There is no trade union in the facility.  
 There is no collective bargaining agreement as well.  
 Health and Safety committee consisting of 4 Management's representatives and 4 worker's representatives is established. Last election of H&S committee was on 24.10.2017.  
 H&S committee perform meetings every 3 months. H&S committee deals with all issues related to workers' rights, problems and concerns. Workers confirmed that they freely communicate with the representative their concerns and that the group is effective in resolving work related issues.  
 During the management interview it was shared that the workers' representative is treated with respect and there is no interference in performing his activities. It was confirmed by the representative as well.  
 Facility has a suggestion box for anonymously reporting issues and a grievance procedure in place.  
 During interview with the workers' representative it was shared that employees feel free to share problems with him and that contact with management is direct.

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

Details:

- Management/workers/workers' representative interviews
- Human rights policy
- Social responsibility policy.
- Minutes №001/19.10.2017 - General Assembly - 4 workers' representatives elected
- Order № 0017/24.10.2017 - Establishment of H&S committee
- Minutes №004/09.10.2019 - topics covered routine inspection of safety and health, development of an ergonomic program for prevention of occupational diseases; training of employees requiring the use of PPE; written procedure for dealing with medical emergencies and accidents, etc.
- Minutes №003/10.07.2019 - changes in the parameters of the working environment; results of technological changes made
- Work plan of the H&S C - 2019 - carrying out inspections on compliance with the requirements for the Occupational Health and Safety law; control of the state of occupational injuries and occupational morbidity; discussing the results of occupational risk assessment, etc.

Any other comments: No other comments

<p>A: What form of worker representation/union is there on site?</p>	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None	
<p>B: Is it a legal requirement to have a union?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>C: Is it a legal requirement to have a worker's committee?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&amp;S, sexual harassment)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: There is H&S committee; employment engagement discussion group; open door policy. Grievance reporting channels include mailing address and phone number for anonymous reporting. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Workers' representative is free to carry out his activities during working hours and within the premises of the facility.	
<p>F: Name of union and union representative, if applicable:</p>	<p>N/A – there is no union at the facility</p>	<p>Is there evidence of free elections?  <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A– there is no union at the facility</p>
<p>G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?</p>	<p>There is a workers' representative</p>	<p>Is there evidence of free elections?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>H: Are all workers aware of who their representatives are?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Confirmed during interviews.</p>
<p>I: Were worker representatives freely elected?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Date of last election: 24.10.2017</p>
<p>J: Do workers know what topics can be raised with their representatives?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>K: Were worker representatives/union representatives interviewed?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 1	

L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Protocols from H&S group meetings – last meeting 09.10.2019	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If <b>Yes</b> , what percentage by trade Union/worker representation	% workers covered by Union CBA	% workers covered by worker rep CBA
M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A – there is no union at the facility and no CBA	

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

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

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

### 3: Working Conditions are Safe and Hygienic

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

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

#### 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:

Health and Safety policy is developed and followed.  
 Responsible person for H&S and Fire safety is Mr. Dimitar Dimitrov.  
 Facility provides normal working conditions.  
 Program for improvement and ergonomics of workplaces is developed and followed. Ergonomic evaluation indicators are defined - microclimate; invitation; noise; lighting; color background; ways to maintain the microclimate; cleaning method; type of working posture; The "convenience" of the machine park; aids (instruments); workplace layout - mutual arrangement of the main elements; ancillary facilities; corridors; size, shape and rigidity of chairs; management bodies; dimensions and weight of goods; availability of vehicles; type of information provided; tempo and rhythm of work; Social living conditions; decision-making ability; organization of work and relationships in the team. Regular measurements of the factors of the working environment are carried out; purchase of ergonomic shoes, chairs and other appropriate accessories is envisaged; periodic internal evaluation of the factors affecting the work, health and productivity of workers is carried out.  
 Measurements of the working hazards are performed regularly – microclimate, noise, temperature, electrical and grounding installation – results show that they are within the acceptable limits.  
 For areas where noise levels are close to the lower risky level, ear plugs are provided as PPEs.  
 Dust masks, goggles and gloves are provided in laboratory and workplace for spot cleaning department.  
 Metal gloves are provided in cutting department.  
 Toilets are kept clean and supplied with toilet paper and soap.  
 There is a dining room where workers can consume their own food.  
 There are changing rooms both for the men and the women.  
 Potable water is provided by the facility.  
 Person trained to conduct H&S trainings at the facility is appointed  
 Initial and periodic H&S trainings are conducted, and logbooks are maintained.  
 The injury logbook is available.  
 First aid kits are provided in the working premises and sufficiently supplied.  
 Facility has a Risk assessment of the working places.  
 Periodic medical checks are performed for all workers.  
 There are 11 employees trained in first aid help



Fire extinguishers, fire alarm and fire hose reels inspections are periodically performed internal and by external licensed company.

Facility has a centralized fire alarm with manual activation buttons and smoke detectors.

Fire drills are periodically conducted.

Machines are maintained by maintenance team employed by the facility.

Facility's special appliances are maintained by external company and are periodically inspected. People operating them also undergo periodic trainings and have the required qualification.

Spot removal chemicals and chemicals for laboratory testing are used in the facility. MSDSs in Bulgarian are placed on the machine where the chemical is used. Applicable workers are periodically updated on them during the periodic H&S trainings.

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

Details:

Health and Safety policy

Order 007/08.01.2017 - Responsible person for Occupational Safety and Health – Mr. Dimitar Dimitrov

Health and Safety Officer 2018 Activity Report

Summary plan for the activity of a Responsible person for Occupational Safety and Health in 2019

Program for improvement and ergonomics of workplaces

Ergonomic evaluation indicators

Order 017/25.07.2019 on the developed program for improvement and ergonomics of the workplaces and the laid down Ergonomic Evaluation Indicators

Annual plan of H&S Committee activities, 2019

Order 0017/24.10.2017 - establishment of the H&S C - 8 people

Minutes 001/19.10.2017 - General Assembly - 4 workers' representatives elected

Protocol 004/09.10.2019 H&S C meeting

Protocol 003/10.07.2019

Initial training program, periodic briefing

Logs for initial and periodic instruction

Instruction for conducting initial training to ensure safe working conditions and fire protection

Rights and obligations of supervisors in ensuring safe working conditions

Instructions for the maintenance and prevention of sewing machines and equipment; safe work with sewing machines; use of an elevator; work with tailoring band saw and electric scissors

Order 13/27.06.2019 on safety at work and use of PPE in spot cleaning; ISDS for detergents - BLUE BIRD ROBOTTA LIQUID R-48

Visitor safety rules

Book for External Visitors

Contract with the Occupational Health Service at the Health Ecological Society "Bulgaria", 323/01.02.2007; last annex 02.02.2019

Risk Assessment of workplaces, 2017

List of workplace and jobs where workers are required to wear special workwear and PPE

List of purchased and distributed workwear

Morbidity analysis for each year 2013-2018

An analysis of the momentary morbidity found in carrying out preventive medical checks

Order 016/24.07.2019 on the procedure for dealing with medical emergencies

Procedure for dealing with medical emergencies

List of first aid trained people - 11 persons, Certificates 3145-3155/24.07.2019, issued by ZED Bulgaria

Inventory of medicines, bandages and other materials in the first aid kit

Instructions for providing first aid in injuries and accidents at work

A short guide to first aid

Certificate of control of circuit breakers with zero sequence 2019, August 2019  
 Certificate of control of Zs Impedance Phase-Protective Wire 2019, August 2019  
 Certificate of control 1329/16.08.2019 of lightning protection grounding system  
 Certificate of control 1330/16.08.2019 of protective earthing system  
 Certificate of control 1331/16.08.2019 of time for switching off and resistance of the protective earthing  
 Certificate of control 1332/16.08.2019 of impedance of the circuit "phase-protective conductor"  
 Certificate of control 1334/16.08.2019 on illumination  
 Certificate of control 1335/16.08.2019 of microclimate  
 Certificate of control 1336/16.08.2019 of daily noise exposure level - due to higher noise levels, PPE is used in some workplaces - ear protectors  
 Certificate of control 177/15.08.2019 Dust concentration in the working environment - inhalable fraction

Electricity panels switching Diary - daily records  
 Compressor switching Diary - daily records

Fire safety rules; fire instruction  
 Fire safety plan

Instruction for organized evacuation of workers in case of fire; natural disasters, accidents  
 Protocol for out-of-warranty service of the fire extinguishing installation, 26.11.2019  
 Minutes 10717 issued by FIRE SYSTEMS, 31.07.2019 - 70 fire extinguishers checked  
 Evacuation Training Report, 15.08.2019  
 Order for the formation of a group for the elimination of fires - 12 people; The training was conducted on 09.05.2019  
 Instructions for operation of the fire alarm installation  
 Action plan in case of fire, 22.11.2019  
 Protocol for monitoring and maintenance of internal hydrants 103/22.11.2019 - for industrial and hotel part of building, total 26  
 Protocol for control testing of the fire alarm installation, 21.02.2019  
 Contract for subscription servicing of fire safety systems, 31.01.2019  
 Fire extinguisher control log (internal controls) - monthly records, last 08.11.2019

Any other comments: No other comments.

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please give details:                  Health and Safety policy                  All employees receive regular and recorded health &amp; safety training such as fire drill, safety instructions</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  B1: Please give details:                  Policy and instruction are posted. Workers are initial and periodic trained.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  C1: Please give details:</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: Please give details:</p>

	All visitors and employees are instructed on safety. Evacuation schemes and safety signs are posted at visible places in all premises.
E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: First aid kits are placed in all premises.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 11 workers are first aid trained
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:  Not applicable – the facility does not provided transportation.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Not applicable, no living space provided by facility
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: There is risk assessment of workplace last updated in 2017.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: N/A – environmental permit is not legal required
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: OEKO TEX STANDARD 100 Certificate 06.RD.47179, valid until 31.10.2020

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

**Observation:**

<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>None observed</p>
---	---

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

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

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

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

**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:**

Facility's hiring system is part of the Internal Rules and personnel monitoring system in place. There is designated Child Labour policy which forbids the use of child labour and includes a remediation part. All employees are hired directly. Facility uses internal announcement of the job position. Most of the interviewed employees stated that they have heard from relatives or friends that there are open positions or just had come and asked. Employees have to present their ID cards upon hire so that their age is verified. ID numbers are included in the contracts. Main criteria for recruitment are relevant education or/and experience. The facility verifies all workers' original ID cards at the time of recruitment. In Bulgaria the minimum age for starting work is 18 years old or 16 years old with restrictions. The facility does not hire workers below 18 years old. The youngest employee in the facility is female production worker, currently is 31 years of age; hired in 2008 at the age of 20. Also, facility had adopted and posted the ETI Base Code and adheres to its requirements on child labour. No young-looking employees observed during the site tour.

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

- Details:
- Internal Rules Book, dated 01/05/2019
  - Child Remediation Policy updated in 2019
  - Posted ETI Base Code
  - Employees' personnel files for 26 workers
  - Interviews with employees
  - Management interview

Any other comments: None.

A: Legal age of employment:	16 with restrictions and 18 without restrictions
B: Age of youngest worker found:	31

C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details

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

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

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

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Internal rules of wages calculation and payment conditions have been approved and updated in 2019. The 12-month period of available payment and time records documents for this audit was 01/11/2018 to 31/10/2019. Electronic time records with cards are kept for all workers who check themselves their time in/out every day.

Noted wages overcome legal minimum wage in Bulgaria (560 BGN gross for 2019 and 510 BGN gross for 2018), as observed based on the payroll records and the time in/time out records presented. The basic wage is minimum wage with achievement/performance bonus added for all employees. Thus, actual wages are higher than the minimum wage in Bulgaria. Salaries are paid monthly via bank transfer on the 15<sup>th</sup> of each month. Detailed pay stubs are timely distributed to all workers. The observed wages range between 648.91 BGN/month and 1125.59 BGN/month gross in October 2019.

All sampled workers were observed with valid signed labour contracts which carry all lawfully required requisites: wage and working days, paid leave, notice period, etc. There are both salaried and piece rate workers (production work force). All legally required taxes, social/pension securities are transferred to the National Revenue Agency on a monthly basis.

No original documents found in the employee's files. Registration of the contracts with the Employment Agency was done and reports included in the files.

No illegal deductions observed or reported. No deductions from wages are made as punishment (disciplinary measures). This was confirmed during workers interviews and this is also forbidden by the Bulgarian Labour Code. No withhold of wages was observed, nor employees report for any withholdings during the interviews.

Each month employees receive detailed pay slips. All interviewed employees confirmed that they know how to read and understand their pay slips.

No discrepancies between the time records and the pay slips were observed.

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

Details:

Workers payroll records for October 2019 (last paid month), July 2019 and February 2019 (random months) for 26 workers.

Internal Rules Handbook, dated 01/05/2019

Internal Rules for calculation of the wages at the facility, updated in 2019.



Management and workers interviews.

Any other comments: None.

**Non-compliance:**

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

NC against ETI       NC against Local Law       NC against customer code:  
None observed

**Local law and/or ETI requirement:** Not applicable

**Recommended corrective action:** Not applicable

**Objective evidence observed:**  
(where relevant please add photo numbers)  
None observed

**Observation:**

**Description of observation:** None observed  
**Local law or ETI requirement:** Not applicable  
**Comments:** Not applicable

**Objective evidence observed:**  
None observed

**Good Examples observed:**

**Description of Good Example (GE):**  
None observed

**Objective Evidence Observed:**  
None observed

**Summary Information**

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: Bulgarian Labour Code, Art.136, Paragraph1-3 8 hours/day 40hours/week	A1: 8 per day 40 per week October 2019 (last paid month), July and February 2019 (random months)	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: Bulgarian Labour Code, Art.146, Paragraph1-2 6 hours/week	B1: 0 hours per day 0 hours per week	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



	30hours/month 150 hours/year	0 hours per month for the 3 sampled months	
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 2019 – 560 BGN gross/full month worked 2018 – 510BGN gross/full month worked	C1: 648.91 BGN gross/full month worked as least noted salary	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: In accordance to Bulgarian Labor Law, Art.262/1, overtime is paid: 150% for week days, 175% for rest days, 200% for holidays	D1: There was no overtime work performed in the sampled months.	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
A1: If <b>No</b> , why not?	Not applicable	
B: 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>	October 2019 (last paid month): 26 records July 2019 (random month): 26 records February 2019 (random month):26 records	
C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If <b>Yes</b> , please give details: 2019 – 560 BGN gross/full month worked 2018 – 510BGN gross/full month worked
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	D1: If <b>No</b> , please give details: N/a
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> 648.91 BGN/month gross is lowest actual wage in October 2019.

<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: 10% of workforce earning under minimum wage                  F2: 0% of workforce earning minimum wage                  F3: 100% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found:                  Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.                  There is achievement/performance bonus scheme applied.</p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>Social Insurance 7.5%                  Medical Insurance 3.2%                  Unemployment Insurance 2.2%                  Income tax deductions 10%</p>		
<p>I: Have these deductions been made?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>	<p>I1: Please list all deductions that <b>have</b> been made.</p>	<p>Please describe:                  Social Insurance 7.5%                  Medical Insurance 3.2%                  Unemployment Insurance 2.2%                  Income tax deductions 10%</p>
		<p>I2: Please list all deductions that <b>have not</b> been made.</p>	<p>1.                  2.                  Please describe:</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>	<p>K1: Type  <input type="checkbox"/> Poor record keeping  <input type="checkbox"/> Isolated incident  <input type="checkbox"/> Repeated occurrence:</p>	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  L1: Please give details: Workers check time with cards daily; all trainings/meetings are performed during regular working hours.</p>		
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  M1: Please specify amount/time:</p>		
<p>M2: If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks  <input type="checkbox"/> Asia Floor Wage  <input type="checkbox"/> Figures provided by Unions  <input type="checkbox"/> Living Wage Foundation UK  <input type="checkbox"/> Fair Wear Wage Ladder  <input type="checkbox"/> Fairtrade Foundation                  Other – please give details:</p>		

<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  N1: Please give details: There are periodic updates (every year) depending on the financial results of the facility and economy situation.</p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  P1: Please give details: Workers on similar positions are paid equal salaries; it was confirmed through review of labour contracts and pay slips.</p>
<p>Q: How are workers paid:</p>	<p><input type="checkbox"/> Cash  <input type="checkbox"/> Cheque  <input checked="" type="checkbox"/> Bank Transfer  <input type="checkbox"/> Other                  Q1: If other, please explain:</p>

**6: Working Hours are not Excessive**

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

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

**ETI**

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

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

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The facility adopted working hours and rest days are stated in the Internal Rules and posted in the production premises.

The 12-month period of available financial documents for this audit was 01/11/2018 to 31/10/2019.

The facility operates in one production shift from 8:00 to 17:00 from Monday to Friday with 3 breaks (45 min lunch break and 2 breaks, total of 25 minutes, in the morning and in the afternoon. There are also small (physiological) breaks assigned to different positions and areas in place. The management and administration/office work from 8:00 to 17:00 as well. For all employees, Saturday and Sunday are days off. Standard hours on site are 8 hours per day, 40 hours per week.

Company has installed electronic recording of time in and time out of each employee with cards, that allows proper verification of hours worked for all workers. Time records were available for the last 12 months, therefore verification of all hours worked was accurate and complete.

During the audit, based on the sampled payroll and time records and workers interviews, it was noted that there is no overtime work, performed in the facility:

- 0 to 0 hours in October 2019 (last paid month) for all sampled workers (verified by time records and employee interviews).
- 0 to 0 hours in July 2019 (random month) for all sampled workers (verified by time records and employee interviews).
- 0 to 0 hours in February 2019 (random month) for all sampled workers (verified by time records and employee interviews).

All workers are hired on individual labor contracts, stating 5 days working week, 8 hours/day. Saturdays and Sundays are days off.

There are no specific peak production months identified. The orders are accepted in accordance with the capacity and productivity of the machines, there is good planning of production outcome and time. It was confirmed during workers interviews that if any overtime work is asked it will be always voluntary and announced in advance.

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

Details:

Internal Rules Book dated 01/05/2019

Employees' electronic time records for 26 sampled employees

Employees' payroll records for 26 sampled employees

Management and workers interviews

Any other comments: None.

**Non-compliance:**

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

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

None observed

**Local law and/or ETI requirement:** Not applicable

**Recommended corrective action:** Not applicable

**Objective evidence observed:**

*(where relevant please add photo numbers)*

None observed

**Observation:**

**Description of observation:** None observed

**Local law or ETI requirement:** Not applicable

**Comments:** Not applicable

**Objective evidence observed:**

None observed

**Good Examples observed:**

**Description of Good Example (GE):**  
None observed

**Objective Evidence Observed:**

None observed

<b>Working hours' analysis</b> Please include time e.g. hour/week/month ( <a href="#">Go back to Key information</a> )	
<b>Systems &amp; Processes</b>	
A. What timekeeping systems are used: time card etc.	Describe: Electronic system with cards as daily employees' time recording
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If YES, please complete as appropriate:
	<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
	If "Other", Please define:
	Not applicable
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If <b>yes</b> , please detail hours, %, types of workers affected and frequency Please give details:
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:
	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Maximum number of days worked without a day off (in sample): 5 days
<b>Standard/Contracted Hours worked</b>	
	<input type="checkbox"/> Yes G1: If yes, % of workers & frequency:

G: Were standard working hours over 48 hours per week found?	<input checked="" type="checkbox"/> No	
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: There were no overtime hours worked in the sampled months. 0 to 0 hours in October 2019 (last paid month) 0 to 0 hours in July 2019 (random month) 0 to 0 hours in February 2019 (random month)	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	0%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Internal Rules and Hiring procedure; Workers interviews.
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages: No OT work was observed in the sampled months. Overtime work at facility should be paid as required by Bulgarian law, according to procedure: 150% for normal work days 175% for rest days 200% for official holidays
N: Is overtime paid at a premium?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency:
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<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	

<p>complete the boxes where relevant.</p>	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
	<p>Not applicable</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> <b>Overtime is voluntary</b>  <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week  <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances  <input type="checkbox"/> Other reasons (please specify)         </p>
	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
	<p>Not applicable</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No            Q1: If yes, please give details:            N/a, no overtime work noted or reported.         </p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p> <input type="checkbox"/> Yes  <input type="checkbox"/> No            N/A, no overtime work noted or reported.         </p>



**7: No Discrimination is Practiced**

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

**ETI**

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

**Current Systems and Evidence Examined**

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

**Current systems:**

There is a policy in place in the facility to prohibit discrimination.  
 All workers of same skill level and seniority are equally compensated for performing the same job functions and all of them are granted equal opportunity for promotion, training, overtime work and retirement.  
 Payment level is the same for workers on the same position.  
 Pregnancy testing is prohibited as a condition of employment.  
 There was no evidence of sexual harassment.  
 Workers have the opportunity to celebrate their religious holidays.  
 Social insurance is paid for all employees.  
 It was confirmed that all employees have equal access to PPE, trainings, break areas etc.  
 It was observed that in the facility there is a calm, friendly and warm work environment.  
 As stated during the employee's interviews workers have a very good relationship with the management, as most of them have been working in the facility for many years.  
 Employees confirmed that they are all equal against company's rules and opportunities. Employees are treated with respect and dignity.  
 All workers are trained on Anti-discrimination policy  
 There is a grievance procedure and suggestion box for anonymous reporting and an open channel communication and verbal exchange of workers suggestions and feedback is mostly practiced.  
 Grievances responsible manager is Mr. Kyosev, General Manager.

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

Details:  
 Employment contracts' review – for the sample of 26 workers  
 Internal Rules  
 Rules of employment  
 Policy against discrimination  
 Hiring procedure  
 Employees' interviews  
 Management interviews  
 Facility tour – employees were relaxed, management was calm and supportive

Any other comments:

A: Gender breakdown of Management + Supervisors (Include as one combined group)

A1: Male: 25 %  
 A2: Female: 75 %

B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	5
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input type="checkbox"/> No evidence of discrimination found  C1: Please give details: N/A

<b>Professional Development</b>	
A: What type of training and development are available for workers?	Ethical and Social accountability/framework training; production and technology/chemicals training; waste collecting; safety instructions

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

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

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

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

**8: Regular Employment Is Provided**

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

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

**ETI**

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

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

**Additional Elements: Responsible Recruitment**

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

From the sample checked of 26 workers all of them had signed labour contracts and annexes upon changes in conditions.

During interviews all confirmed that they have copies of their contracts.

Contracts clearly state duration, probation period, leave notice period, wage, working hours. Probation period is 6 months and leave notice period is 1 month.

All contracts are accompanied by Terms of Reference.

No apprentices or trainees at the facility.

All contracts are registered in the National Revenue Agency as required by law.

All workers are on permanent contracts.

No migrant workers employed by the facility as well.

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

Details:

26 Sampled employees' personnel files

Internal Rules Book

Hiring procedure

Social responsibility policy - prohibition of forced and compulsory labor; prohibition of unlawful social practices

Rules of employment  
Employees' interviews

Any other comments: No other comments

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

Observation:	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b>                      None observed</p>

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

### Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p>

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

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

**NON-EMPLOYEE WORKERS - N/A – there are no non-employee workers**

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

<b>Agency Workers (if applicable) N/A There are no agency workers</b> (workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
A: Number of agencies used (average):	A1: Names if available: N/A There are no agency workers
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No  D1: Please give details:

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

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

**8A: Sub-Contracting and Homeworking**

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

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

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

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

*Note to auditor on homeworking:*

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

The site tour showed that all production processes were present in the unit.

The facility declares that no subcontractors used and it does not allow work to be taken at home as per their policy on sub-contracting.

Orders and production records are available.

Auditor crosschecked the production records with the workforce on site and concluded that there is no evidence for subcontracting.

It was verified through document review, factory tour, management interview and employee interview that no sub-contracting & Home-working is used at the facility.

No homework declared to be used by the facility at present.

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

Details:

Production records

Workers daily schedule

Processes completed by the facility.

Production records and processes reviewed.

Number of machines and employees.

Management and employees' interviews.

Any other comments: None

**Non-compliance:**



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

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

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

<b>Summary of sub-contracting – if applicable</b>	
<input checked="" type="checkbox"/> Not Applicable please x	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please describe:</p>
<p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  B1: If <b>Yes</b>, summarise details:</p>
<p>C: Number of sub-contractors/agents used:</p>	
<p>D: Is there a site policy on sub-contracting?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: If <b>Yes</b>, summarise details:</p>
<p>E: What checks are in place to ensure no child labour is being used and work is safe?</p>	

<b>Summary of homeworking – if applicable</b> <input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If <b>Yes</b> , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

**9: No Harsh or Inhumane Treatment is Allowed**  
[\(Click here to return to summary of findings\)](#)

**ETI**

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details:  Facility has a suggestion box for anonymous reporting of different issues.  On the company website stakeholders can also report complaints and make suggestions with guaranteed confidentiality</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Suggestion box in place in the corridor.  Order No. 014/24.07.2019 - Rules and Processes for Implementing the Suggestion and Complaints Policy  Order No. 15/24.07.2019 - Introducing the Company's Policies to Global Labor Standards and Principles</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Facility has a suggestion box for anonymous reporting of different issues.  On the company website stakeholders can also report complaints and make suggestions with guaranteed confidentiality</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input checked="" type="checkbox"/> Communities  <input checked="" type="checkbox"/> Suppliers  <input checked="" type="checkbox"/> Other    D1:  Please give details:  Facility has a suggestion box for anonymous reporting of different issues.  On the company website stakeholders can also report complaints and make suggestions with guaranteed confidentiality</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No    E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No    F1: If no, please give details</p>

<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>
<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I1: If yes, please give details</p>

**Current Systems and Evidence Examined**

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

**Current systems:**

Facility had adopted the ETI Base Code and Company policies and rules which state that no discrimination or harassment is allowed. Disciplinary sanctions are as per the Bulgarian Labour Law and are clearly stated in the Internal Rules, Disciplinary policy and Rules of employment – warning, notice of dismissal and dismissal. In case a disciplinary measure is to be imposed than the following documentation is kept on file in the employees' personnel dossier – written statement what the breach is; written explanation from the worker what the situation from his/her point of view is; management order with the disciplinary measure posed. No disciplinary actions observed in the personnel files or reported by the employees. No monetary sanctions used by the facility.

During interviews also confirmed that no original documents were kept by the company.

Employees stated that they are provided with good working conditions and that management attitude is very open and fair. Working relationships were also noted to be very open and direct.

All workers are familiar with the internal rules and job descriptions.

In the personal files, checked by the auditor, there were no records for disciplinary measures. During the interviews, employees reported no disciplinary measures have been applied to them.

There is an internal anonymous process for grievance – anonymous e-mail and phone, where workers can report any grievances (harassment, discrimination, abuse etc.); received complaints will be handled by the management. Responsible persons are Mrs. Radosveta Uzunova - HR Manager and Mr. Anton Kyosev – General Manager and company representative for Social accountability.

During the workers' interviews, they confirmed that there is no inhumane treatment of them or their colleagues.

All workers are familiar with the internal rules and job descriptions.

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

Details:

Order No. 15/24.07.2019 - Introducing the Company's Policies to Global Labor Standards and Principles

Order No. 014/24.07.2019 - Rules and Processes for Implementing the Suggestion and Complaints Policy

Disciplinary policy

Drug and human trafficking policy

Policy against harassment and abuse

Rules of employment

Internal rules of labor order  
 Employees' personnel files of 26 workers.  
 Management/employees' interviews.  
 ETI Base Code in local language

Any other comments: None

**Non-compliance:**

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

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

None observed

**Local law and/or ETI requirement:** Not applicable

**Recommended corrective action:** Not applicable

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

None observed

**Observation:**

**Description of observation:** None observed

**Local law or ETI requirement:** Not applicable

**Comments:** Not applicable

**Objective evidence observed:**

None observed

**Good Examples observed:**

**Description of Good Example (GE):**  
 None observed

**Objective Evidence Observed:**  
 None observed

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

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

**Additional Elements**

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

No migrant or foreign workers are employed by facility.

Migrant workers can be employed only after obtaining all the necessary legally required documents for stay and work in Bulgaria.

All workers in the facility are with Bulgarian citizenship and have Bulgarian ID cards.

Documents are checked upon hire.

All workers are hired directly (with advertisements or through internal information), there is no agency staff.

There are no part time or seasonal employees. Employees are hired directly (with advertisements or through internal information or through the Labour Bureau.

Employment procedure is one and the same as for all applicants. Contract terms are equal for all employees as well.

The company is developed and adopted Rules of employment, General rules and Internal Rules of labor order. These documents cover employment relationships.

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

Details:

Rules of employment

General rules

Internal Rules of labor order

Employee personal files for 26 people

Interviews with employees.

Management interview.

Hiring procedure

Any other comments: None

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

<b>Observation:</b>	
<p><b>Description of observation:</b> None observed</p> <p><b>Local law or ETI/Additional Elements requirement:</b> Not applicable</p> <p><b>Comments:</b> Not applicable</p>	<p><b>Objective evidence observed:</b></p> <p>None observed</p>

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

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

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

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

**B.4. Compliance Requirements**

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Environmental policy is developed, and person assigned to deal with environmental issues and applicable laws.

Policy is posted on the information board in the facility and made available to suppliers when signing contracts with them.

General and specific objectives for the implementation of the Environmental Policy have been developed.

General goals: continuous and sustainable reduction of energy and resource consumption of the overall activity of the organization; prevention of environmental pollution; continuous and sustainable reduction of the relative share of hazardous chemicals used; continuous and sustainable reduction of production wastewater

Specific goals - use of diode instead of fluorescent lighting; reduction of consumption of natural resources; enhancing the professional knowledge and skills of the staff to reduce waste generation; development of products with reduced participation of raw materials.



Separate waste collection system has been set up. Instructions and procedures are available. Responsibilities are allocated.  
 Wastewater is directly discharged to the city water and sewerage system.  
 Facility discharges separately paper waste, plastic and metal through licensed recycling companies.  
 Production waste are destroyed by licensed company.  
 Logbooks for the disposed quantities are maintained and contracts with specialized companies are available.  
 Facility uses chemicals for spot cleaning and laboratory testing of fabrics. They are stored in original package and is supplied with MSDS.

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

Details:

- OEKO TEX STANDARD 100 Certificate 06.RD.47179, valid until 31.10.2020
- General and specific objectives for the implementation of the Environmental Policy
- Environmental policy
- Annual Report on Industrial or Hazardous Waste Generated to the Environmental Executive Agency, 05.03.2019 – wood packages; fluorescent tubes and mercury-containing wastes
- Contract with ECO-RESULT EOOD, №00 149-02 / 10.01.2018 for transfer of waste - paper and cardboard packaging; plastic packaging; packaging materials of wood; fluorescent tubes and other mercury-containing wastes
- Order No. 018/16.08.2019 on the establishment of an organization and conditions for separate collection of waste; determining responsibilities
- Instruction - order for separate waste collection; order for servicing separate waste collection vessels; disposal of waste containers
- Order No. 019 / 09.09.2019 - appoints 10 employees from different departments responsible for separate waste collection
- Checklist 1 - Awareness training on possible environmental impacts and ways to reduce employee negative effects
- Checklist 2 - submission of annual waste reports
- Order on the storage and transportation of industrial and hazardous waste
- Instructions for hazardous waste management, 03.01.2019
- Instruction for carrying out internal control on the implementation of the instructions for storage of hazardous waste
- Report on production and/or hazardous waste generated
- invoices submitted waste - Harteks Ltd, 28.06.2019, 31.01.2019; Zlatna Panega Cement AD, 31.12.2018

Any other comments: None

**Non-compliance:**

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

- NC against ETI/Additional Elements  NC against Local
- NC against customer code:
- 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)*

None observed

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

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

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Mr. Anton Kyosev, General Manager – overall responsible Mr. Dimitar Dimitrov – responsible for separate waste collection
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: General and specific objectives for the implementation of the Environmental Policy have been developed.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Policy aims at reducing materials, water and electricity consumption and recycling. General and specific objectives for the implementation of the Environmental Policy have been developed.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details:
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: N/A – no special licenses required
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details: There is a list of chemicals used and MSDS.
J: 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 J1: Please give details: OEKO TEX STANDARD 100 Certificate 06.RD.47179, valid until 31.10.2020
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: General and specific objectives for the implementation of the Environmental Policy have been developed.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Contracts with licenced companies Waste log Annual waste report
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Facility tracks on a monthly basis all resources used
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: No Sub-Contracting agencies or business partners operating on the premises One of two building is shared with a hotel, restaurant and shops used by other companies owned by Mr. Kyosev

**Usage/Discharge analysis**

Criteria	Previous year: Please state period: January – September 2018	Current Year: Please state period: January-September 2019
Electricity Usage: Kw/hrs	731519 kw/h	764500 kw/h
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	478.75 m <sup>3</sup>	377.21 m <sup>3</sup>
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	N/A	N/A
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>local water authority</li> </ul>	<ul style="list-style-type: none"> <li>local water authority</li> </ul>
Water Volume Used: (m <sup>3</sup> )	7132 m <sup>3</sup>	8277 m <sup>3</sup>
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>local water authority</li> </ul>	<ul style="list-style-type: none"> <li>local water authority</li> </ul>
Water Volume Discharged:	7132 m <sup>3</sup>	8277 m <sup>3</sup>

(m <sup>3</sup> )		
Water Volume Recycled: (m <sup>3</sup> )	0	0
Total waste Produced (please state units)	28.15 t	30.22 t
Total hazardous waste Produced: (please state units)	0	0
Waste to Recycling: (please state units)	4.95 t	3.92 t
Waste to Landfill: (please state units)	15.9 t	15.6 t
Waste to other: (please give details and state units)	for destruction 7.3 t	for destruction 10.7 t
Total Product Produced (please state units)	2 262 397 pieces	1 387 296 pieces

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

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems:**

Facility had adopted the ETI Base Code and employees were acquainted with it. It is placed on the information boards in local language. It is disseminated to the suppliers as well via dedicated e-mail.

Facility has its Internal Social Policy, Complaints policies and procedures, Security Policy (Anti-terrorism and Branded Materials), Anti-corruption policy, which arrange relationships with employees, clients, suppliers, business partners, public institutions, media regarding loyalty, confidentiality, professionalism, commitment to law regulations, anti-bribery and anti-corruption practices.

Social responsibility policy formulated ban on illegal social practices; staff development and motivation; job creation; ensuring payment security; formulating rules for constructive business ethics; responsibility for carrying out charitable activities; maintaining fruitful interactions with the public, local authorities, business associations, educational and expert institutions

All relevant parties are acquainted when signing contracts with the facility.

Mr. Anton Kyosev is the responsible person for ensuring compliance to those policies.

Facility has a suggestion box for anonymous reporting of different issues.

On the company website stakeholders can also report complaints and make suggestions with guaranteed confidentiality.

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

Details:  
 posted ETI base code  
 Social Policy  
 Security Policy (Anti-terrorism and Branded Materials)  
 Anti-corruption policy  
 Complaints policies and procedures

Any other comments: None

**Non-compliance:**

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

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

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)*

None observed

**Observation**

**Description of observation:**

None observed

**Local law or ETI/Additional elements requirement:** Not applicable

**Comments:** Not applicable

**Objective evidence observed:**

None observed

**Good examples observed:**

**Description of Good Example (GE):**

None observed

**Objective Evidence Observed:**

None observed

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

- Internal Policy  
 Policy for third parties including suppliers

A1: Please give details: Social Policy; Security Policy (Anti-terrorism and Branded Materials); Anti-corruption policy; Complaints policies and procedures

<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details: all workers are familiar, they have declared with a signature</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details: it is reviewed and updated at the corporate level</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>D1: Please give details: No such requirement</p>



Other findings

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

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

## Appendix 1

<p><b>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."</b></p> <p><input type="checkbox"/> Not Applicable please x</p>	
<p><b>NOTE:</b> 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><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<b>ETI Code / Additional Elements</b>	<b>Customer's Supplier Code equivalent</b>
<b>0.A. Universal Rights covering UNGP</b>	<b>0.A. Universal Rights covering UNGP</b>
<p><b>0.A. Guidance for Observations</b></p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
<b>0.B. Management Systems &amp; Code Implementation</b>	<b>0.B. Management Systems &amp; Code Implementation</b>
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

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

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

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

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

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.          10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.  <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
---	--

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p><b>Environment Section</b></p>	<p><b>Environment Section</b></p>
<p><b>B.4. Compliance Requirements</b>            10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.            10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.            10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements            10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.            10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.            10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).            10B4.7 Businesses shall make continuous improvements in their environmental performance.            10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation            10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.  <b>B4. Guidance for Observations</b>            10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.            10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
<p><b>Business Practices Section</b></p>	

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**




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

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



## Photo Form

<p>overall facility view</p>	<p>overall facility view</p>	<p>cutting area</p>
<p>cutting area</p>	<p>sewing area</p>	<p>quality control</p>
<p>ironing table</p>	<p>packing area</p>	<p>ready products warehouse</p>
<p>material warehouse</p>	<p>fabric's quality control</p>	<p>testing laboratory</p>

		
<p>firefighting system</p>	<p>firefighting equipment and instructions</p>	<p>smoke detector</p>


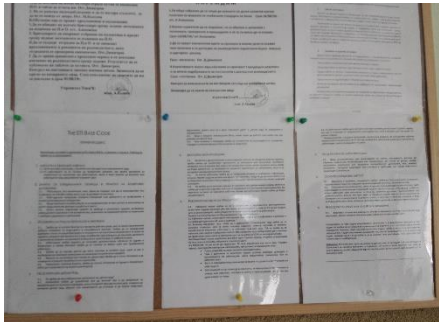
		
<p>aisles</p>	<p>illuminated emergency exit</p>	<p>emergency exit, fire alarm</p>

		
<p>evacuation plan and instruction</p>	<p>assembly point</p>	<p>heating/cooling system</p>

		
<p>electrical switchboard</p>	<p>compressor room 1</p>	<p>compressor room 2</p>



<p>toilets</p>	<p>sanitary facility</p>	<p>break/lunch room</p>
<p>first aid kit</p>	<p>rest room</p>	<p>chemicals in laboratory</p>
<p>PPE in laboratory</p>	<p>emergency stop button</p>	<p>safety instruction</p>
<p>spot cleaning area</p>	<p>PPE for spot cleaning</p>	<p>sewing with safety screen</p>

		
<p>metal glove used in cutting</p>	<p>information board</p>	<p>suggestion box</p>
		
<p>access control system</p>	<p>posted ETI base code</p>	<p>production waste collection system</p>

## DISCLAIMER:

"This report is for the exclusive use of the client of Intertek named in this report ("**Client**") and is provided pursuant to an agreement for services between Intertek and Client ("**Client Agreement**"). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek's responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek."

End of report.



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

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

**[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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

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