



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC5000006462	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS1000006656	
Business name (Company name):	FUSH doo			
Site name:	FUSH doo			
Site address:	Tadeusa Koscuska br.78 Velizara Stakovica 67, Beograd; Oraovacka 1, Grdelica Beograd 11000; 16220 RS	Country:	RS	
Site contact and job title:	Marija Stefanov / COO			
Site phone:	+381113591048	Site e-mail:	andrija@fush.rs	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-01-31			

Audit Company Name:
Bureau Veritas Certification

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 (March 2019) 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.

Auditor Team			
Lead Auditor:	Jovan Babic	APSCA Number:	21704802
Additional Auditors:	Nina BABOVIC		32200506
Date of declaration:	2024-02-01		

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.

Site Representation	
Full Name:	Marija Stefanov
Title:	COO
Date of declaration:	2024-02-01
Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	
No exceptions	

Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	1	GE - ZAF600360951
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1		1	0	0	NC - ZAF600360949
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>			0	0	0	
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>	10.C.4		1	0	0	NC - ZAF600360950

Site Details

Site Details		
Company Name	FUSH doo	
Site Name	FUSH doo	
GPS location (if available)	GPS Address:	Latitude 42.8914453 Longitude 22.0777896
	Coordinates:	42.89144530, 22.07778960
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Decision of registration no. BD 98693/2018 dated 31.10.2018. from National register of companies; Cadaster registration no. 876/1 from Cadaster of Municipality of Leskovac (note: these documents are without limitation of validity until possible changes in ownership or basic activities).	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Production of sportswear and promotional clothing.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The FUSH factory was founded in 2017 and is located in Grdelica, in the southern part of Serbia. The factory was created by a complete reorganization and investment in the infrastructure and equipment of the factory that existed at that location. Capacity: production of the basic T-shirt model up to 2000 pcs per day; the capacity of daily production when making other models is related to the complexity (number of cuts) and the design of the model. The company is constantly investing in resources, technology and equipment. The most modern equipment for the textile industry is used in production: Orox Flexo Sirius C800 Conveyor Cutting Machine (1 unit), Orox iCut Conveyor Cutting Machine (1 unit), Orox P4 Fabric Spreading Machine (1 unit), Širuba and Juki Sewing Machines (total 60 units), Terrot and Canmartex Knitting Machines (interlock, ribbed, single, total 8 units) with 30 inches (zoll) knitting diameter and 28 gauge (28 needles per cm), Epson SureColor SC-F9400H dye sublimation printer (1 unit), Epson SureColor F6200 (10 units), Epson SureColor F7200 (2 units), Monti Antonio 120T dye-sub calender (3 units), XPRO DS170 heat calender for dye sublimation (1 unit).	

Structure and number of buildings	Building Name:		Central object
	Floor	Description	Remark
	Floor 1	Warehouse and canteen	None.
	Floor 2	Apartments	It is kind of special private rooms for the owners of company
	Building Name:		Knitting
	Floor	Description	Remark
	Floor 1	Production area (knitting)	None.
	Floor 2	Administration offices	None.
	Building Name:		Social premises
	Floor	Description	Remark
	Floor 1	Wardrobes, toilets, maintenance shop, boiler room	None.
	Building Name:		Embroidery
	Floor	Description	Remark
	Floor 1	Production (embroidery) and packing	None.
	Building Name:		Sewing
	Floor	Description	Remark
	Floor 1	Production (sewing)	None.
	Building Name:		Tailor shop
	Floor	Description	Remark
	Floor 1	Production (tailoring)	None.
Building Name:		Printing house	
Floor	Description	Remark	
Floor 1	Production (printing)	None.	
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: By the site visit and through checking inspection reports it was confirmed that all equipment and infrastructure is in very good conditions.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Technical documentation no. 2018-02-PZI from Maja Proing		

Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	Processes: storage of raw materials, in-coming control, production (knitting, tailoring, printing (sublimation and screen printing), sewing, embroidery, quality control, packing, storage of final products, delivery. Equipment: Knitting (machine CANMARTEX for circular knitting, machines MAYER&CIE, machines TERROT, machines ALBI, machine SCOMAR CR 110 for straight knitting), sewing (machines JUKI, JAPSEW, SIRUBA, MEGASEW), tailoring (LUDBERG and OROX machines), packing machines Thermotron and ATLAS.	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	Worker representative, H&S Committee	
Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: n/a	

Audit Parameters					
Time in and time out	Day 1		Day 2		
	In	09:00	In	09:00	
	Out	15:30	Out	13:30	
Audit type:	FULL_INITIAL				
Was the audit announced?	ANNOUNCED				
Was the Sedex SAQ available for review?	Yes				
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No				
Who signed and agreed CAPR	Marija Stefanov / COO				
Is further information available	No				

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	No formed union in company.		
<i>Reason for absence during the audit</i>	No formed union in company.		
<i>Reason for absence at the closing meeting</i>	No formed union in company.		

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	22	0	0	0	0	0	0	22
Worker numbers – female	80	0	0	0	0	0	0	80
Total	102	0	0	0	0	0	0	102
Number of Workers interviewed – male	5	0	0	0	0	0	0	5
Number of Workers interviewed – female	21	0	0	0	0	0	0	21
Total – interviewed sample size	26	0	0	0	0	0	0	26

Nationalities Structure		
Nationality of Management	Serbian	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Serbian	approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No peak season.	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	n/a

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	Four groups of five employees.
Number of individual interviews:	Male: 2 Female: 4
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	Good organization, very good communication in company.
What did the workers like the most about working at this site?	Attitude of management, positive atmosphere in company.
Any additional comment(s) regarding interviews:	Salary on time, adequate health and safety conditions.
Attitude of workers to hours worked:	Overtime is always voluntary and no often overtime in practice.
Is there any worker survey information available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Analyses of satisfaction of employees dated December 2023. (based on anonymous questionnaires).

Attitude of workers:
The interviewed workers were feel conformable during the interviews. Workers attitude to management is very good. The workers appeared to be satisfied with the working conditions, treatment and in particular with the regular payment of wages.
Attitude of worker's committee/union reps:
Through interview with worker representative confirmed very good communication between management and workers. Exist practice in meetings between worker representatives and management.
Attitude of managers:
Company management provided support for the realization of audit and the whole time of audit was available to the auditor for all necessary information. All required documents and records were present for review. Provided visit of the whole site in order to create a clear picture of conditions in the workplace.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

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 company has adopted code of ethical business practice which includes human right and social responsibility. Adopted Business ethics Policy.

Nominated responsible person for implementing standard concerning human rights.

Company has identified stakeholders and salient issues (checked List of interested parties and evaluation of their impact). There is not any adverse impact found on their stakeholders.

The company has a transparent system in place for confidentially reporting and dealing with human rights impacts.

Evidence examined:

Employment rulebook

Business ethics Policy, first issue dated 25.09.2023.

Ethical codex dated 25.09.2023

Decision of responsible person for human rights protection dated 25.09.2023. (nominated Mrs. Marija Stefanov)

List of interested parties updated September 2023.

Interviews

Any other comments:

None.

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Business ethics Policy, first issue dated 25.09.2023.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

Internal rulebooks

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Decision of responsible person for human rights protection dated 25.09.2023. (nominated Mrs. Marija Stefanov)	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Phone line, e-mail address.	
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: GDPR statement is implemented, for all employees maintained personal file.	
Measuring Workplace Impact		
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year	1.0%
	This year	0.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%	
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year	7.0%
	This year	5.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	7.0%	
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Accidents are recorded in accordance with law regulation. Company maintained "Register of injuries at work" and reports about every accident (note: no registered injuries in last three years).	

Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
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)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
0.B.3 Suppliers are expected to communicate this Code to all employees.
0.B.4 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.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:

The company has implemented internal code of Ethical codex, this code is communicated on adequate way in order to be visible to all employees and interested parties.
Exist procedure for identification of suppliers, adopted Codex of subcontractors ethical business in order to maintain mechanism for monitoring of social performances of suppliers.
Nominated manager responsible for compliance with Code and ethical principles.
The company has a transparent system in place for confidentially reporting and dealing with human rights impacts through open door.
Client operates legally, all needed licences are on place.

Evidence examined:

Employment rulebook
Business ethics Policy, first issue dated 25.09.2023.
Ethical codex dated 25.09.2023
List of approved suppliers updated October 2023
The procedure of subcontractors management, issue 1
Codex of subcontractor ethical business practice dated 23.09.2023.
Decision of responsible manager for compliance with SMETA SEDEX requirements dated 25.09.2023. (nominated Mrs. Marija Stefanov)
The list of interested parties is updated in September 2023.
Interviews

Any other comments:

None.

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes ☒ No

Please give details:

Interviews with management and workers. Also checked different internet sources.

Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes ☐ No

Please give details:

Business ethics Policy, first issue dated 25.09.2023.
Ethical codex dated 25.09.2023.

If Yes, is there evidence (an indication) of effective implementation? Please give details.

Ethical codex is part of induction training for every employee.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees have training related basic principles of socially responsible behavior.
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 Please give details: Training record dated 30.09.2023.. (company rules, human rights, internal communication...).
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 9001 certificate valid until 21.10.2024. issued by certification body Standcert, ISO 14001 certificate valid until 21.10.2024. issued by certification body Standcert, ISO 45001 certification valid until 21.10.2024. issued by certification body Standcert.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No HR function exist on level of whole company (based in Belgrade HQ)
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mrs. Marija Stefanov, COO
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Existing Risk assessment report includes evaluation of video surveillance system as well as security procedures.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Rulebook about protection of personal data.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Ethical codex, Risk assessment realized in frame of existing management system as part of inputs for regular management review) and included codex of ethical business practice as well as company rulebooks.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training measures or re-assessment of adequacy of procedures/policies measures are taken, each time the effectiveness is found not appropriate.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Codex of subcontractor ethical business.

Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Cadaster registration no. 876/1 from Cadaster of Leskovac (this document is with no-defined validity)
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: List of law regulation updated December 2023.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This policy is part of internal rules.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Cadaster registration no. 876/1 from Cadaster of Leskovac
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No need because the local community did not own, occupy, or use the land.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such evidence observed during complete site tour. The land owned by company at this time is enough for the actual production and gives management/company owners the comfort of having space for any extension they might decide in the future.

Good Example		Evidence																		
[Back to findings summary]																				
<table><tr><th colspan="2">Good Example</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600360951</td></tr><tr><td>Clause</td><td>0B - Management Systems and code Implementation</td></tr><tr><td>Issue Title</td><td>35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)</td></tr><tr><td>Subcategory</td><td>Site's licenses & Certifications</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Explanation to the good example</td><td>The site has an internationally recognized system certification as ISO 14001 and ISO 45001.</td></tr><tr><td>Evidence</td><td>ISO 14001 certificate valid until 21.10.2024. issued by certification body Standcert, ISO 45001 certification valid until 21.10.2024. issued by certification body Standcert.</td></tr></table>		Good Example		Status	OPEN	Reference	ZAF600360951	Clause	0B - Management Systems and code Implementation	Issue Title	35 - Presence of relevant certifications certification that address labour rights / human rights, environmental impact or corruption (OHSAS 18001, ISO 14001, ISO 50001, ISO 37001, SA8000 etc.)	Subcategory	Site's licenses & Certifications	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	The site has an internationally recognized system certification as ISO 14001 and ISO 45001.	Evidence	ISO 14001 certificate valid until 21.10.2024. issued by certification body Standcert, ISO 45001 certification valid until 21.10.2024. issued by certification body Standcert.	
Good Example																				
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Subcategory	Site's licenses & Certifications																			
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over																			
Explanation to the good example	The site has an internationally recognized system certification as ISO 14001 and ISO 45001.																			
Evidence	ISO 14001 certificate valid until 21.10.2024. issued by certification body Standcert, ISO 45001 certification valid until 21.10.2024. issued by certification body Standcert.																			

1 - Freely chosen Employment

[Summary of Findings]

1: Compliance Requirements

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:

No engagement any forced or bonded labor in company. The company keeps workers original documents only if required by law.

The employees are required to present their personnel documents, so the accountancy to be able to fill properly the required by law personnel files – contract, job description, qualification records, etc. All employees interviewed stated they are working in the facility at their own will. Also, checked personal files as well as employment contracts of these workers. Each worker has signed contract with the company, no engagement of agency workers.

Evidence examined:

Rulebook about work, last issue dated 20.09.2023.

Organizational chart, updated 10.02.2021.

Personal dossiers and employment contracts of twenty-six workers:

Employee JV, date of contract 28.03.2023., employee NM annex of permanent contract dated 01.01.2023., employee SV contract no. 1229/23 dated 12.09.2023., employee DD, annex of employment contract dated 30.12.2022., employment contract no. 703/20 signed with employee ZO, annex of employment contract dated 30.06.2023. signed with KM, employee SC date of permanent working contract 20.12.2023., employee JS, annex of permanent employment contract dated 31.10.2023., employee SM date of permanent employment contract 13.12.2021. and last annex dated 1.1.2023., employee SM employment contract no. 1136/21 dated 29.01.2021., employee SB, date of employment contract annex 30.12.2022., employee RN date of annex 30.06.2023., employee CJ date of employment contract 22.06.2021., employee PM date of last annex 30.12.2022., employee MT dated 30.03.2023., employee JS dated of last annex 30.10.2023., employee KS date of employment contract 20.05.2021., employee NS dated 30.12.2022., employee KZ date of last annex 30.01.2023., employee DJ date of employment contract 28.03.2019. and last annex dated 30.12.2022., employee IN dated 30.12.2022., employee SI date of last annex 28.07.2023., employee SM, date of employment contract 05.11.2019. and last annex dated 01.08.2023.

All employees have regular social insurance. Checked social insurance confirmation of twenty-six workers (e.g. social insurance for employee SC dated 30.12.2023., employee SB date of social insurance confirmation 22.06.2021, employee RN date of insurance 22.06.2021., employee MT date of social insurance 30.05. 2021., employee IN, date of social insurance confirmation 06.10.2020., employee SI date of social insurance confirmation 01.06.2021., employee SM, social insurance dated 03.09.2020.

Interviews with workers

Any other comments:

None.

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: This is guaranteed by company rules.
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 Please give details: n/a
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: This is guaranteed by company rules, also defined as part of employment contract. All above stated is confirmed during interviews.
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 Please give details: Director of company stated also that all contracts with suppliers are based on risk assessment which include risk of forced, trafficked or bonded labor.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company have employed only local citizens.

2 - Freedom of Association and Right to Collective Bargaining are Respected

[Summary of Findings]

2: Compliance Requirements

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 right of collective bargaining are part of legal law requirements and they are adopted from the management through company rulebooks.

There were not found any restrictions for the workers to join or create a union and to bargain collectively. In company no formed union, but exist function of worker representative.

Evidence examined:

Business ethics Policy dated 25.09.2023.

Ethical code dated 25.09.2023.

Employment rulebook

Interviews with workers

Interview with worker representative

Interview with managers

Any other comments:

None.

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Worker representative, Health and safety committee	
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker representatives, open door and direct communication policy.	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confirmed through interviews.
Name of union and union representative, if applicable:	n/a
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker representative
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confirmed through interviews.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-11-15
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Minutes of meeting dated 27.11.2023. and Minutes of meeting 15.12.2023. (topics: internal communication, question about norming of performances in production)
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic [Summary of Findings]

3: Compliance Requirements

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:

The company implemented and continuously operates an Occupational Health & Safety Management System starting with 2021, in compliance with reference standard ISO 45001:2018. The management system was certified starting with 2021 by a local certification body, Standcert, and maintained it functional, at the audit time the company holding the Certificate no.OH-0340 (expires in October 2024.). No noncompliance was raised within last certification cycle, the OHS management system being considered well implemented and effective.

According to Decision dated 25.09.2020., Mr. Zoran Laštro was nominated as OH&S management responsible, while (based on contract with external specialized organization Safety way solution) Mr. Jugoslav Miljković as nominated as responsible person for health and safety at work. All OHS problems that are identified by workers and their representatives can be raised during regular meetings of the OHS Committee, established in accordance with local legal requirements and adequately documented (Decision dated 15.12.2022. for nomination of OHS Committee, formed of 5 management representatives, 6 workers' representatives); the last OHS Committee meeting was documented as Minute of OHS Committee Meeting dated 15.12.2023.

OHS risk assessment is a continuous process and follows all changes that occur in the company. Initial Risks assessment was done in cooperation with external organization Safety way solutions dated 25.10.2020. (notes: no work places with higher risk as per used methodology).

All employees are trained for health and safety at risk in accordance with hazards and risks identified through risk assessment. Training is intense and effective, being carried out according to defined frequency and in compliance with law legislation.

For each activity carried out on-site the company documented OHS work instructions used as materials for regular trainings. For chemicals present in the facility (chemicals for cleaning) there were available MSDS, updated and translated in Serbian, extract of them being placed in places where chemicals are used or handled. Chemicals are adequately stored and eye washing stations is available. All workers who handling with chemicals have passed adequate training which are recorded on record required by law "Obrazac 6"

The workplaces were observed during site tour and are adequate, clean and not crowded. Adequate OHS marks (firefighting means location, exit routes, PPEs required at workplace etc.) were observed, evacuation routes and evacuation doors were found not blocked with materials or goods, evacuation plans are posted in different areas of shopfloors, properly placed to correctly indicate evacuation direction.

Electrical safety is verified by an authorized third-party company. During the site tour the audit team did not observe any kind of loose wires or dangling wires, no naked wires inserted directly in the socket or other types of electric hazard present. All sockets and wires are in very good condition, properly marked with voltage, as per regulations. Production equipment as well as micro climate conditions checked by authorized company.

Company has adequate number of first aid trained personal, checked List of first aiders updated January 2024. Company has procedure for incident investigation (including injuries at work) O-03, issue 1, but no registered injuries at work.

All equipment in the facility is regularly maintained. Clean evidence was presented showing good and thorough maintenance of all equipment. Maintenance operations are performed as per Maintenance Manuals of each machine/installation (operation and frequency). All safety guards are verified for their functionality on daily basis by machine operators of each shift

In area of fire protection company demonstrated very high level of compliance: adopted fire protection rules, all equipment is periodically checked, firefighting means were also observed during the complete site tour, being found within validity term and pressurized, no blocked access to their places and adequate marking, emergency alarm buttons are also placed throughout the facility, the access to them being free (un-blocked).

All employees are trained in fire protection (in accordance with adopted Training program in area of fire protection and have test of checking of knowledge in area protection, but no adequately recorded evacuation drill which was realized (issue NC).

Evidence examined:

Occupational Health & Safety Management System certificate no. OH-0340 by certification body Standcert. Decision dated 25.09.2020., Mr. Zoran Laštro was nominated as OH&S management responsible, Mr. Jugoslav Miljković as nominated as responsible person for health and safety at work (licence no. 152-02-00857_2013-01 dated 26.01.2014), Decision dated 15.12.2022. for nomination of OHS Committee, formed of 5 management representatives, 6 workers' representatives); the last OHS Committee meeting was documented as Minute of OHS Committee Meeting dated 15.12.2023.

Initial Risks assessment was done in cooperation with external organization Safety way solutions dated 25.10.2020. (notes: no work places with higher risk as per used methodology).

Trainings are recorded on record required by law „Obrazac 6“ (e.g. checked for employees: employee DĐ date of training 02.12.2021., employee OŽ, date of training 20.01.2021., employee VJ dated 29.03.2023., employee VS date of training 13.09.2023., employee MK dated 17.03.2023., employee ZD dated of training 22.09.2022., employee TJ date of training 29.03.2023.

For review were available reports: „Report about electrical installation control“ no. 21-06-2021 dated 26.05.2021. from external authorized organization Insitut za preventivu, „Report about periodical control of micro climate conditions“ no. 23-06-659 dated 22.03.2023. from external authorized organization Insitut za preventivu, „Report about periodical control of micro climate conditions“ no. 22-03-288 dated 16.12.2022. from external authorized organization Insitut za preventivu

Company has adequate number of first aid trained personal, checked List of first aiders updated January 2024, also checked „First aid training certificate“ no. V569/2019 from VIP Medical (employee TJ). Company has procedure for incident investigation (including injuries at work) O-03, issue 1, but no registered injuries at work.

In area of fire protection checked documents and records: „Fire protection rules“ dated March 2020, „Report about periodical check of fire extinguishers“ dated 27.11.2023. from external organization Trosador d.o.o., „Report about periodical check of hydrant set“ dated 27.11.2023. from external organization Trosador d.o.o., „Report about periodical control of alarm system“ dated 20.07.2023. from external authorized organization Sigurnost d.o.o., Training program in area of fire protection dated May 2021 and test of checking of knowledge in area protection (e.g. employee RM, date of test 05.08.2021., employee SI, date of test 05.08.2021., employee RN, date of test 05.08.2021., employee MD date of test 05.08.2021, employee PM, date of test 05.08.2021., employee VM date of test 05.08.2021., employee SM dated of test 05.08.2021.

Any other comments:

None.

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: General instruction for safety at work; Work instruction for manual handling with materials; Instruction for reaction in case of fire
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies are included in workers manuals (e.g. Fire protection rules)
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Everything according the law.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Instruction for visitors

Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No dedicated medical room, but adequate number of first aid boxes. Trained first aiders.
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 Please give details: There are ten First aiders. This number is enough in order to cover all departments in production.
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 checked="" type="checkbox"/> No Please give details: Company does not provide transport to workers.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There are no dormitories on site.
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 Please give details: Risks assessment dated 25.10.2020.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reports are sent every year to Government, no specific permits are obligated.
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 Please give details: No banned chemicals in use.

Non-Compliance		Evidence																																
[Back to findings summary]																																		
<table><thead><tr><th colspan="2">Non-Compliance</th></tr></thead><tbody><tr><td>Status</td><td>CLOSED</td></tr><tr><td>Reference</td><td>ZAF600360949</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>218 - Missing records of fire drills and evacuations</td></tr><tr><td>Subcategory</td><td>Fire Safety - Fire alarms & Evacuation</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Resolved by audit</td><td>ZAA600045713</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non compliance</td><td>Evacuation drills are realized, but reports about drills are not maintained.</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>Regular evacuation drills will be organized twice a year, as minimum. Reports will be maintained.</td></tr><tr><td>Additional comments</td><td>After completing the audit, we identified the need for another evacuation drill. During the drill, we documented everything, including pictures and videos, to ensure compliance with safety regulations. None.</td></tr></tbody></table>		Non-Compliance		Status	CLOSED	Reference	ZAF600360949	Clause	3 - Working Conditions are Safe and Hygienic	Issue Title	218 - Missing records of fire drills and evacuations	Subcategory	Fire Safety - Fire alarms & Evacuation	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Resolved by audit	ZAA600045713	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		ETI code	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.	Explanation to the non compliance	Evacuation drills are realized, but reports about drills are not maintained.	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	Regular evacuation drills will be organized twice a year, as minimum. Reports will be maintained.	Additional comments	After completing the audit, we identified the need for another evacuation drill. During the drill, we documented everything, including pictures and videos, to ensure compliance with safety regulations. None.	
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4 - Child Labour Shall Not Be Used [Summary of Findings]

4: Compliance Requirements

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:

Company has clear procedure related verification of the age of applicants before recruitment.

In process of selection, company check ID cards and keep a copy of ID card in the individual file of employee, in accordance with law regulation.

There was no young nor child workers, identified during the audit. Through checking of documents, it was noted that youngest employee in company is 23 years old.

Each employee dossier included photocopied ID card which list name of employee, household address and the date of birth.

Evidence examined:

Rulebook about organization and systematization of work places

Employment contracts of twenty-six workers

Personal files of twenty-six workers

Interviews

Any other comments:

None.

Legal age of employment:	15
Age of youngest worker found:	22
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
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No workers bellow 18 years.

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

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:

Wages are paid once per month through bank transfers to the individual bank account of each worker, within the 10th of each following month. There is no delay in payment (confirmed through interviews with workers).

Each worker gets a pay with detailed information of the wage calculation at the end of each pay period. In case of overtime, it is always voluntary and OT payment is in line with law regulation (126%).

The requested payrolls were presented. Evidence for the payment of social insurances were presented.

The monthly remuneration equals the basic wage plus the fixed additional payments. Only the applicable legal deductions are made from the monthly remuneration such as social and health security and income tax.

Obligation of company related wages and benefits are defined in company rulebooks as well as in personal contracts.

Workers interviewed found that they were aware about the salary scheme, including amount deductible for social insurance etc. They confirmed there are no deduction as disciplinary measures exist.

Interviewed workers confirmed good communication with company in case of necessity for additional information related calculation of payment.

Evidence examined:

Rulebook about work, last issue dated 20.09.2023.

Personal files and working contracts of twenty-six workers

Payslips for three different months (December 2023, August 2023, March 2023) of twenty-six workers

Register of working hours for three different months

Interviews

Any other comments:

None.

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 40.0 Per Month: 176.0	Actual Per Day: 8.0 Per Week: 40.0 Per Month: 176.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 4.0 Per Week: 8.0 Per Month: 32.0	Actual Per Day: 4.0 Per Week: 8.0 Per Month: 32.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 1840.0 Per Week: 7360.0 Per Month: 40480.0	Actual Per Day: 2221.9 Per Week: 11109.5 Per Month: 48882.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 1159.2 Per Week: 2318.4 Per Month: 9273.6	Actual Per Day: 1339.8 Per Week: 2799.5 Per Month: 11198.4	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	Pay slips for twenty-six workers for three different months: December 2023 (current), August 2023, March 2023		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	48882 RSD (net per month)		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Bonus scheme is defined per Rulebook on measuring individual work performance. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Health insurance; Retirement benefits; Unemployment insurance; tax		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Social assurance, health assurance and unemployment		
Please list all deductions that have not been made.	n/a		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All types of engagements are reflected through pay slips (regular working time, OT)
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<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 <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Regular review of wages is once a year.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was confirmed through checking of payrolls and through contracts review.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

6 - Working Hours are not Excessive
[Summary of Findings]**6: Compliance Requirements**

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:

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:

Working hours are defined in company rulebook (Employment rulebook) and employment contracts and there were no inconsistencies found during review.

Company operates in one shift (production and administration): from 7 to 15h. and in three shifts in departments knitting and printing.

Employees have 30 minutes break during shift.

Working hours not exceed 48 hours per week.

OT is always voluntary, which is clear defined in company rules and confirmed through interviews. In case of overtime, this is always compensated as premium rate.

Evidence examined:

Employment rulebook

Payroll records (twenty six workers for three different months: December 2023, August 2023 and March 2023)

Time records for three different months (December 2023, August 2023 and March 2023)

Employment contracts

Interviews

Any other comments:

None.

Working hours' analysis**Systems & Processes**

What timekeeping systems are used?

Carnet system

Is sample size same as in wages section?

☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
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):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	December 2023: 4 hours per day, 8 hours per week, 16 hours per month August 2023: 4 hours per day, 8 hours per week, 21 hours per month March 2023: 4 hours per day, 8 hours per week, 32 hours per month
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Maximum working time during one week (standard + OT) is 48 hours.
Approximate percentage of total workers on highest overtime hours:	20.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Voluntary overtime is guaranteed by internal Employment rulebook, this is also noted in employment contracts. All above confirmed through interviews with workers.
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 126%
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No OT hour are paid as premium rate (126%).
If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	OT hour are paid as premium rate (126%).
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	No more than 60 total hours per week was found - through checking of register of working hours and pay-slips
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	No more than 60 total hours per week was found - through checking of register of working hours and pay-slips
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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 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.
There were not found any evidences for discrimination practices.
During interviews it was confirmed that workers have possibility to address complaints related any kind and source of discrimination.
Company has adopted Anti-discrimination internal rules.

Evidence examined:

Employment rulebook
Anti-discrimination rulebook
Ethical business practice
Payrolls and register of working hours
Interviews

Any other comments:

None.

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 33.0%Female: 66.0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	4 (COO, quality control, two production supervisors)		
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"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement	<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	There were not found any evidences of discrimination practices.		
Professional Development			
What type of training and development are available for workers?	Based on adopted Professional development plan and based on statement from interviews it was found that no limitations of professional development of any employee, only their desire to follow it.		
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		



8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

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

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

Additional Elements: Responsible Recruitment

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

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

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

All the obligations to employees under the Serbian labour law have been fulfilled.
Workers have employment as per the contract signed between each employee and the company.
All employees were reported to the labor and social insurance authorities since signing of working contract.

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

No agency worker engaged in company.

No engaged migrant workers.

Evidence examined:

Rulebook about work, last issue dated 20.09.2023,

Twenty-six personal files

Employment contracts of twenty-six workers

Interviews with workers

Any other comments:

None.

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

☒ Terms & Conditions presented

☒ Understood by workers

☒ Same as actual conditions

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

☐ Yes ☒ No

Migrant Workers	
Type of work undertaken by migrant workers:	There is no migrant workers engagement.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
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 checked="" type="checkbox"/> No Please give details: No migrant workers engaged.
Is there any observation on this finding?	None.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (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.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	n/a
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency workers engaged.
Does the site have a system for checking labour standards of agencies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company has procedure for checking of subcontractors, but no engaged agency workers.
Contractors (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.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: n/a

Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: n/a
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8A - Sub-Contracting and Homeworking
[Summary of Findings]**8A: Compliance Requirements**

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.

Current Systems and Evidence Examined

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

Current Systems:

The company hires a subcontractor for painting and finishing services. The signed contract defines all aspects of the subcontractor's activities, while the subcontractor control procedure defines all the steps in engaging and controlling subcontractors. All reports and records about activities of subcontractor are in place.

Evidence examined:

List of approved suppliers isporucilaca updated October 2023
Procedure of subcontractors management, issue 1
Contract signed with subcontractor Izbor Arilje dated 23.09.2023.
Codex of subcontractor ethical business practice dated 23.09.2023. signed by company Izbor Arilje.
Interviews

Any other comments:

None.

Summary of sub-contracting – if applicableIs there any sub-contracting at this site? ☒ Yes ☐ No**Process subcontracted**

Process Subcontracted Painting of textile materials.

Name of factory Izbor

Address Grdovici, Arilje, Serbia

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?

☒ Yes ☐ No

Please give details:

Analyse of nominated capacity vs production records for December 2023.

If sub-contractors are used, is there evidence this has been agreed with the main client? (If yes, please provide details)

☒ Yes ☐ No

Contract dated 23.09.2023.

Number of sub-contractors/agents used:

1

Is there a site policy on sub-contracting?

☒ Yes ☐ No

Codex of subcontractor ethical business practice, issue 1

What checks are in place to ensure no child labour is being used and work is safe?

Signed contract, signed ethical codex and periodical visits and audits done by company.

Summary of homeworking – if applicable

Is homeworking used at this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

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.

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

Employees were aware of the disciplinary practice which is controlled in their contracts also.
Any grievances can be reported, but no evidences about grievances.
There were no any examples of abuse or harassment.

Evidence examined:

Site tour
Employment rulebook
Interviews

Any other comments:

None.

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Open door policy, worker representatives.
If yes, are workers aware of these channels and have access? Please give details.	Through interviews confirmed that worker are aware about possibility to address any grievance.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Open door, worker representatives.
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Other
Please provide grievance mechanism details	Adopted open door policy, worker representatives which is confirmed through checking of documents, site visit and interviews.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

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

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

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

10.A.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:

All workers with a legal right to work are employed. All workers are validated by the company for their legal right to work by reviewing original documentation.

Evidence examined:

Personal files of twenty-six workers
Interviews

Any other comments:

None.

10B4 - Environment 4-Pillar [Summary of Findings]

10B4: Compliance Requirements

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

10.B4.2 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.

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

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

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

10.B4.6 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).

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

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

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

10B4: Guidance for Observations

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

10.B4.11 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 Management System was found in place, certified, operated properly and effective. Excellent control on environmental aspects and impacts, developed throughout processes development. Good environmental performance gained by company within last 12 months that achieved reduction of wastes generated, reduction of utilities consumption and control on contractors' environmental impacts on company's operations. It was available the IMS Policy, available inside the company (posted on communication panels) and communicated by e-mail to all interested parties identified. Identification of environmental aspects and impact analyses were documented in October 2023. Environmental goals for 2024, defined during management review process (October 2023). Legal compliance with applicable laws and regulations is a continuous process, achieving a very good level, the relation and communication with authorities and interested parties is very opened and transparent. No any open issues based on law requirements and inspections, within last 12 months no inspection of local Environmental inspectors. The external audit for EMS re-surveillance according to ISO 14001:2015, performed by Standcert in October 2023, did not identify any non-compliance and evaluated the Environmental Management System as an effective one.

Company's activity does not affect nature and does not cause deforestation. Waste generated in company is consistently recorded (type of waste and quantities generated) and managed through specialized and authorized third party companies - mainly for recycling purposes, except domestic and hazardous waste which are eliminated.

Evidence examined:

Interviews were carried out with Environmental Responsible, the Plant Manager Mr. Zoran Laštro and with responsible for handling and treating the wastes generated in the company (operate with compactors for wastes and prepare wastes for delivery to third party companies contracted for wastes management).
It was available the IMS Policy updated 24.03.2023
Identification of environmental aspects and impact analyses dated October 2023
Decision for responsible for waste handling 20.03.2021.
Procedure for waste management E05, issue 1 dated 01.03.2021.
Procedure for management of environmental impacts E06, issue 1 dated 01.03.2021.
Contract for disposal of non-dangerous waste dated 19.01.2024. signed with waste operator Eko-Tron
Contract for disposal of textile waste dated 22.01.2024, signed with waste operator Mateks doo
Report of compliance of waste water treatment no. 17CN/40 from Roto Eco d.o.o.
Interviews with workers

Any other comments:

Since October 2021. company has installed system for solar energy production.

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Mr. Zoran Laštro, Plant Manager
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 Please give details: Identification of environmental aspects and impact analyses dated October 2023
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Certificated no. ES-0435 from certification body Standcert, valid until October 2024.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Please give details: Environmental impacts analyses dated October 2023 (key impacts: waste generation, energy consumption)
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Company is in process GOTS/GRS certification (certification audit was done 24-26.01.2024. by certification body IDFL).
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Decision of registration no. BD 98693/2018 dated 31.10.2018. from National register of companies

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"/> Not Applicable Please give details: Evidence of chemicals consumption updated January 2024.	
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 Please give details: List of law regulation updated January 2024. Periodical review of law compliance dated October 2023.	
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental protection goals dated October 2023 (e.g. decreasing of plastic waste for 10% related to quantity of raw material processed)	
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yearly report of waste generated dated March 2023.	
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 Please give details: List of environmental parameters dated October 2023 (e.g. consumption of energy, consumption of water)	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No any agency or business partner operating on the premises.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	192053880	0
Renewable Energy Usage: Kw/hrs	56332020	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Local water authority	Local water authority
Water Volume Used	337	0
Water Discharged	Local recipient (after internal water treatment)	Local recipient (after internal water treatment)
Water Volume Discharged	337	0
Water Volume Recycled	0	0

Total waste produced	14,5t	0
Total hazardous waste produced	0	0
Waste to recycling	14,5t	0
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	57t	0

10C - Business Ethics – 4-Pillar Audit [Summary of Findings]

10C: Compliance Requirements

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

10.C.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.

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

10.C.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.

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

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

10.C.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

10.C.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.

10.C.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:

Company conducts their business ethically without bribery, corruption, or any type of unethical behaviour. Adopted Business ethics policy which is communicated to employees through communication boards and through appropriate trainings and also to suppliers as part of contracting documentation.

Designated person responsible for business ethics principles implementation and compliance with.

Site was not subject to (of pending) any fines or prosecutions against business ethics regulation.

Evidence examined:

Business ethics Policy, first issue dated 25.09.2023.

Ethical codex dated 25.09.2023.

Codex of subcontractor ethical business dated 23.09.2023.

Decision of responsible person for business ethics principles dated 25.09.2023. (nominated Mr. Zoran Laštro)

Employment rulebook

Interviews with management and workers

Any other comments:

None.

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: Business ethics Policy, first issue dated 25.09.2023., Codex of subcontractor ethical business dated 23.09.2023.
Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training record dated 30.09.2023.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Regular update once a year.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It is requirement of contract with subcontractor and part of Codex of subcontractor business ethics.

Non-Compliance		Evidence																																	
[Back to findings summary]																																			
<table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>CLOSED</td> </tr> <tr> <td>Reference</td> <td>ZAF600360950</td> </tr> <tr> <td>Clause</td> <td>10C - Business Ethics – 4-Pillar Audit</td> </tr> <tr> <td>Issue Title</td> <td>667 - No confidential whistleblowing procedure in place</td> </tr> <tr> <td>Subcategory</td> <td>BE - Grievance Mechanisms</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Resolved by audit</td> <td>ZAA600045713</td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>ETI code</td> <td>10.C.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.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>No developed system for confidential whistleblowing.</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other </td> </tr> <tr> <td>Actions</td> <td>Will be adopted procedure for confidential whistleblowing.</td> </tr> <tr> <td>Additional comments</td> <td>Our company has taken a significant step towards promoting ethical values and transparency in the workplace. We have recently acquired a box for confidential reporting and have updated our whistleblowing documentation to provide more comprehensive guidelines for reporting incidents of unethical behaviour, mobbing, or any other violations of good business ethics. During our review, we identified a location in our production where video surveillance was not installed, and we promptly placed the box in that area to ensure that our employees have a secure and confidential channel to report any concerns they may have. None.</td> </tr> </tbody> </table>			Non-Compliance		Status	CLOSED	Reference	ZAF600360950	Clause	10C - Business Ethics – 4-Pillar Audit	Issue Title	667 - No confidential whistleblowing procedure in place	Subcategory	BE - Grievance Mechanisms	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Resolved by audit	ZAA600045713	Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	Root cause - Other		ETI code	10.C.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.	Explanation to the non compliance	No developed system for confidential whistleblowing.	Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	Actions	Will be adopted procedure for confidential whistleblowing.	Additional comments	Our company has taken a significant step towards promoting ethical values and transparency in the workplace. We have recently acquired a box for confidential reporting and have updated our whistleblowing documentation to provide more comprehensive guidelines for reporting incidents of unethical behaviour, mobbing, or any other violations of good business ethics. During our review, we identified a location in our production where video surveillance was not installed, and we promptly placed the box in that area to ensure that our employees have a secure and confidential channel to report any concerns they may have. None.	
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Attachments



Entry on location.jpg



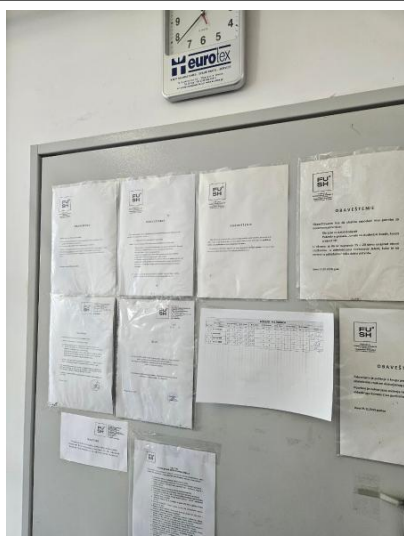
General view.jpg



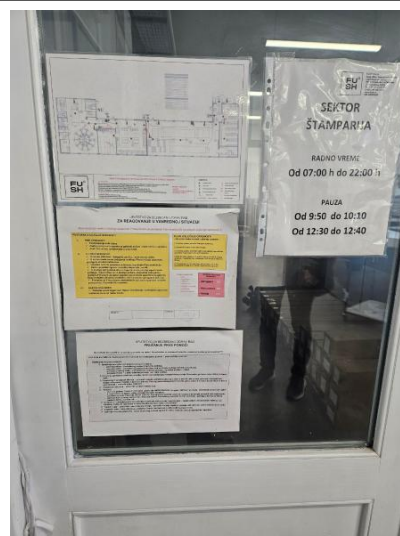
General view (2).jpg



Solar panels.jpg



Communication board.jpg



Entry in production area.jpg



Electrical cupboard.jpg



Production area-knitting.jpg



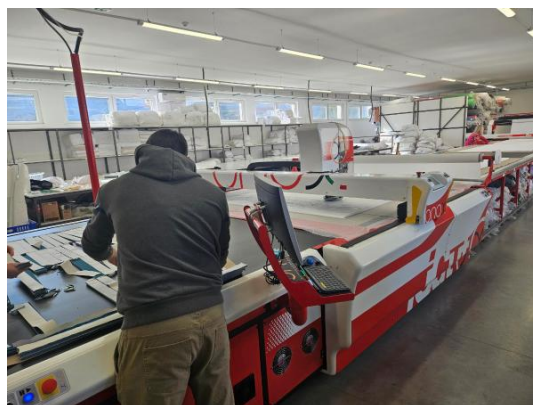
Production area-printing (2).jpg



Production area-printing.jpg



Production area-sublimation printing.jpg



Production area-tailoring.jpg



Production area-tailoring (2).jpg



Production area-sewing.jpg



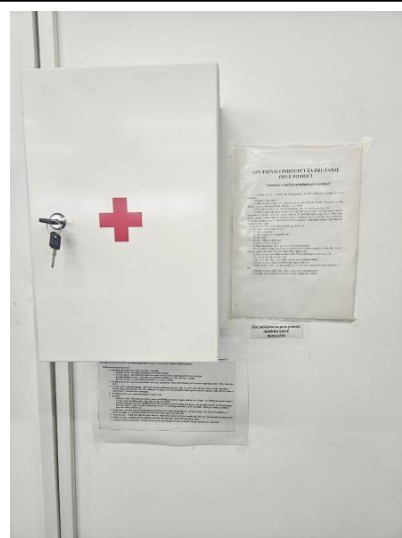
Production area-packing.jpg



Storage area.jpg



Storage area (2).jpg



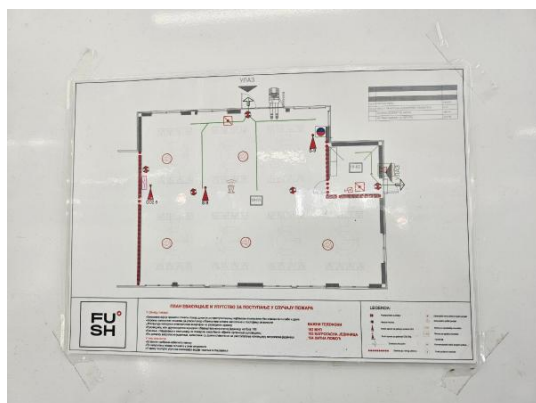
First aid box.jpg



Fire alarm central station.jpg



Fire alarm.jpg



Evacuation plan.jpg



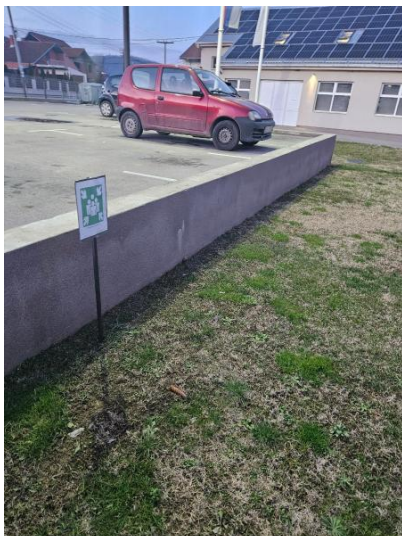
Emergency light.jpg



Hydrant in production area.jpg



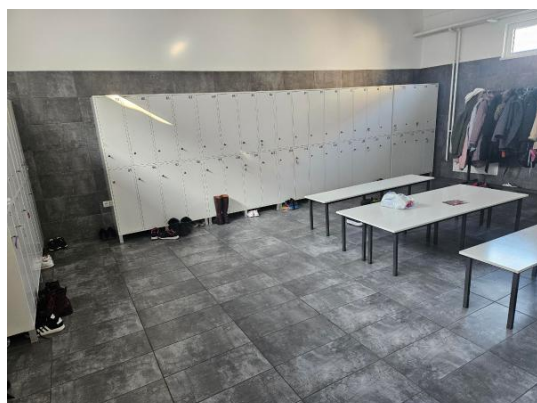
Outside hydrant.jpg



Assembly point.jpg



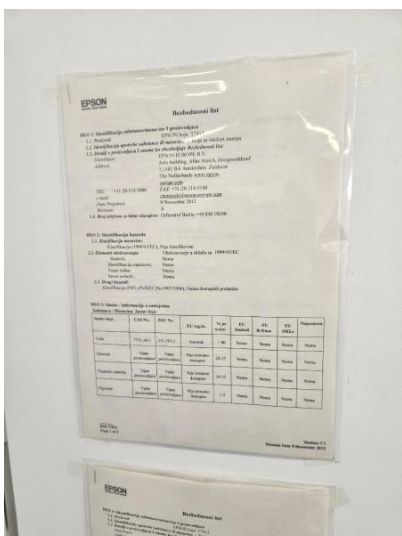
Canteen.jpg



Wardrobe.jpg



Toilet.jpg



Available MSDS.jpg



Waste storage.jpg



Fush SMETA_CPR Signed_02022024143048 (1).pdf



Fush SMETA_CPR Signed_02022024143048 (1).pdf



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

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