

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of labour standards, health and safety, environment and business ethics. The SMETA minimum requirements were applied and the SMETA auditor manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the code areas below.

2-pillar audits include:

- Labour standards:
 - 0. Enabling accurate assessment
 - 1. Employment is freely chosen
 - 1.A. Responsible recruitment and entitlement to work
 - 2. Freedom of association and right to collective bargaining are respected
 - 4. Child labour shall not be used
 - 5. Legal wages are paid
 - 5.A. Living wages are paid
 - 6. Working hours are not excessive
 - 7. No discrimination is practiced
 - 8. Regular employment is provided
 - 8.A. Sub-contracting and homeworkers are used responsibly
 - 9. No harsh or inhumane treatment is allowed
- Health and safety:
 - 3. Working conditions are safe and hygienic
- Environment:
 - 10.A. Environment 2-pillar

4-pillar audits include, in addition to the above:

- Environment:
 - 10.B. Environment 4-pillar
- Business ethics:
 - 10.C. Business ethics

(2) Where appropriate, non-compliances or non-conformances were raised where either local law or the base code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.

(3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit details

Site details

Sedex site reference	ZS1000006656	Site name	FUSH doo
Business name	FUSH doo	Site address	16220 Oraovačka BB, Grdelica (varoš), RS

Audit details

Sedex company reference	ZC5000006462	Auditor company name	Bureau Veritas Certification
Date of audit	2025-05-28	Audit conducted by	Jovan Babic

Audit pillars	Labour Standards Health and safety Environment 4-Pillar Business ethics		
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Time in and out	Day 1		Day 2	
	In	09:30	In	08:00
Out	17:00	Out	13:00	

Audit type	Periodic
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Was the audit announced?	Announced
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Was the Sedex SAQ available for review?	Yes
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Who signed and agreed CAPR?	Zoran Lastro / Plant Manager
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Any conflicting information SAQ/Pre-Audit Info	No
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Is further information available?	No
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Audit attendance

	Senior management	Worker representative	Union representative
A: Present at the opening meeting?	Yes	Yes	No

B: Present at the audit?	Yes	Yes	No
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C: Present at the closing meeting?	Yes	Yes	No
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Reason for absence at the opening meeting	No formed trade union in company.		
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Reason for absence during the audit	No formed trade union in company.		
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Reason for absence at the closing meeting	No formed trade union in company.		
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SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

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

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

Auditor Vladan Čokić was under witness.

Lead auditor	Jovan Babic	APSCA Number	21704802
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Additional auditor	Vladan Cokic	APSCA Number	21701783
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Date of declaration	2025-05-29
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Site representation


Declaration	I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published.
Full name	Zoran Lastro
Title	Plant Manager
Date of declaration	2025-05-29


Summary of findings


Code area	Workplace requirement	Area of NC	Finding
10.C. Business ethics	10.C.E Provide appropriate business ethics tr...	Base code	NC ZAF600969923


Management systems

	Policies and procedures	Resources	Communication and training	Monitoring
1. Employment is freely chosen				
1.A. Responsible recruitment and entitlement to work				
2. Freedom of association and right to collective bargaining are respected				
3. Working conditions are safe and hygienic				
4. Child labour shall not be used				
5. Legal wages are paid				
6. Working hours are not excessive				
7. No discrimination is practiced				
8. Regular employment is provided				

 Not addressed

 Fundamental improvements required

 Some improvements recommended

 Robust management systems

	Policies and procedures	Resources	Communication and training	Monitoring
8.A. Sub-contracting and homeworkers are used responsibly	✗	✗	✗	✗
9. No harsh or inhumane treatment is allowed	✔	✔	✔	✔
10.A. Environment 2-Pillar	✔	✔	✔	✔
10.C. Business ethics	✔	✔	ⓘ	ⓘ

✗ Not addressed

⚠ Fundamental improvements required

ⓘ Some improvements recommended

✔ Robust management systems

Site details

Company and site details

Sedex company reference	ZC5000006462	
Sedex site reference	ZS1000006656	
Company name	FUSH doo	
Business ownership type	GOODS	
Site name	FUSH doo	
Site name in local language		
GPS location	GPS address	Latitude 42.8914453 Longitude 22.0777896
	Coordinates	42.89144530,22.07778960
Is the worksite in a remote location, far from habitation?	No	
Site contact	Contact name	Zoran Laštro
	Job title	Plant manager
	Phone number	+381113591048
	Email	andrija@fush.rs
Applicable business and other legally required business license numbers and documents	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).	

Site activities

Site function	Factory Processing/Manufacturer
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Site activities

Site activities	Primary	Manufacture of wearing apparel (clothing), except fur apparel
	Secondary	
	Other	
Product type	Sportswear and promotional clothing.	
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 level of mechanization best describes the work at this site?	Fair mechanisation / manual Labour	

Site scope

Is the audited site a physically continuous area?	Yes	
What is the area of audited site to its boundary?	4000m ²	
Building 1	Last construction works on site	2021
	If building is shared, provide details	No
	Number of floors	2
	Description of floor activities	First floor storage of raw material and final products and canteen; Second floors apartments
Building 2	Last construction works on site	2019
	If building is shared, provide details	No
	Number of floors	2
	Description of floor activities	First floor: production (knitting), Second floor: management and administration offices

Site scope

Building 3	Last construction works on site	2019
	If building is shared, provide details	No
	Number of floors	1
	Description of floor activities	Production

Is there any difference between the site scope of the audit and the Sedex site profile? No

Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? No

Is any activity conducted onsite not included within the scope of the audit? No

Worker accommodation and transport

Are there any site-provided worker accommodation buildings? No

Does the site organise worker transport to the worksite? Not provided
The company does not organize the transportation of workers.

Work patterns

Approximate workers on site per month (% of peak)	January	90-95%	February	90-95%
	March	90-95%	April	90-95%
	May	90-95%	June	90-95%
	July	90-95%	August	90-95%
	September	90-95%	October	90-95%
	November	90-95%	December	90-95%

Work patterns

Is there any night shift work at the site?	Yes Company operates in two shifts in production (first shift 06-14h and second shift 14h-22h) and in third shift occasionally in processes printing and knitting. Administration operates from 07h to 15h.
What percentage of the workforce, including temporary and agency workers, work during the night shift?	25%
Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling?	Yes Sample taken during audits included workers who operates in all shifts.

Site assessments

Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact?	ISO 45001 (OHS), ISO 14001 (Environmental management), Other management system certification, Other certification ISO 9001 certificate no. QS-0789 valid until 21.10.2027. issued by certification body Standcert, ISO 14001 certificate no. ES-0435 valid until 21.10.2027. issued by certification body Standcert, ISO 45001 certificate no. OH-0340 valid until 21.10.2027. issued by certification body Standcert, GOTS certificate no. SC-008727-0 valid until 25.03.2026. issued by certification body IDFL, GRS Version 4.0 certificate no. IDF-24-739214 valid until 25.03.2026. issued by certification body IDFL
Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community?	Yes Through self-assessment.
Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site?	Yes Codex of subcontractor ethical business dated 23.09.2023.

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

	Men	Women	Other	Total
Number of workers	24 (24.5%)	74 (75.5%)	- -	98 (100%)

Workers by type

	Men	Women	Other	Total
Permanent workers (employees)	22 (23.7%)	71 (76.3%)	- -	93 (94.9%)
Temporary or fixed term employees	2 (40%)	3 (60%)	- -	5 (5.1%)
Agency or subcontracted workers	0 -	0 -	- -	0 (0%)
Seasonal workers	0 -	0 -	- -	0 (0%)
Self-employed workers	0 -	0 -	- -	0 (0%)
Informal workers including home workers	0 -	0 -	- -	0 (0%)
Apprentices, trainees or interns	0 -	0 -	- -	0 (0%)

* % of total workforce

Migrant workers

	Men	Women	Other	Total
Domestic migrant workers	0 -	0 -	- -	0 (0%)
International migrant workers	0 -	0 -	- -	0 (0%)
Total migrant workers	0 -	0 -	- -	0 (0%)

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

No migrant workers.

Workers by age

	Men	Women	Other	Total
18 - 24 years old	2 (33.3%)	4 (66.7%)	- -	6 (6.1%)
15 - 17 years old	0 -	0 -	- -	0 (0%)
Under 15 years old	0 -	0 -	- -	0 (0%)

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit? No

Describe how this may vary during peak periods No peak of season.

Please list the nationalities of all workers, with the three most common nationalities listed first Serbian

Most common nationalities as approximate % of workforce

	Men	Women	Other	Total
Serbian	25%	75%	-	100%

Workers by remuneration type

	Men	Women	Other	Total
Workers paid per unit (piece rate)	0 -	0 -	- -	0 (0%)
Workers paid based on a mix of 'piece work' and hourly rate	0 -	0 -	- -	0 (0%)
Workers paid hourly / daily rate	0 -	0 -	- -	0 (0%)
Salaried workers	24 (24.5%)	74 (75.5%)	- -	98 (100%)

* % of total workforce

Workers by payment cycle

	Men	Women	Other	Total
Paid daily	0 -	0 -	- -	0 (0%)
Paid weekly	0 -	0 -	- -	0 (0%)
Paid monthly	24 (24.5%)	74 (75.5%)	- -	98 (100%)
Other	0 -	0 -	- -	0 (0%)

* % of total workforce

If other payment cycle entered, please provide details N/A

People in managerial, supervisory and administrative roles

	Men	Women	Other	Total
Employees in management positions	1 (50%)	1 (50%)	- -	2
Supervisors or team leaders	3 (37.5%)	5 (62.5%)	- -	8
Administrative staff	0 (0%)	3 (100%)	- -	3

Worker interview summary

Gender disaggregated data available Men and women

Which methods of worker engagement were used? Group interviews
Individual interviews

Digital worker survey participants

	Men	Women	Other	Total
Number of workers	-	-	-	-

Were any of the audit findings attributable to the survey?

Was the interview sample representative of all types of nationality and employment types of workers? Yes

Was the interview sample representative of the gender composition of the workforce? Yes

Number and size of group interviews One group of four employees.

Did workers understand the purpose of the audit? Yes

Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers? Yes

Was there any indication that workers had been 'coached' in how they should respond to questions? No

What was the general attitude of the workers towards their workplace? Favorable

Attitude of workers

In which areas did workers raise significant concerns or complaints?	Other (provide details) No significant concerns no complaints raised.
What did the workers like the most about working at this site?	Communication (e.g. from management) Facilities (e.g. rest area, recreation, canteen) Work atmosphere (e.g. treatment by supervisors) Hours worked, rest days or breaks Equal opportunities
Additional comments	None.
Attitude of workers' committee/union representatives	The workers' representative showed a positive attitude, especially because of the practice of regular meetings with management that was established.
Attitude of managers	Management representative - director of factory Mr. Zoran Laštro - responsible for compliance with SMETA SEDEX principles has shown a high level of understanding and readiness for continuous improvements. Hi was available to the auditor all the time to provide insight into all the necessary elements of the system through documents and records and a tour of the site.

Workers interviewed by type

	Total
Permanent workers	8
Temporary or fixed-term employees	2
Agency or subcontracted workers	0
Seasonal workers	0
Other workers	0
Total number of workers interviewed	10

Workers interviewed by group/individual

	Men	Women	Other	Total

Workers interviewed by group/individual

Workers interviewed in groups	1	3	-	4
Workers interviewed individually	2	4	-	6

Migrant workers interviewed

	Men	Women	Other	Total
Domestic migrant workers interviewed	0	0	-	0
International migrant workers interviewed	0	0	-	0
Total migrant workers interviewed	0	0	-	0

Measuring workplace impact

Gender disaggregated data available Men and women

Annual worker turnover (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	8.0%	5.0%	-	13.0%
Last full calendar year (2024)	10.0%	5.0%	-	15.0%
Previous full calendar year (2023)	5.0%	5.0%	-	10.0%

* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

Rate of absenteeism (%)*

	Men	Women	Other	Total
Last full quarter (90 days)	5.0%	5.0%	-	10.0%
Last full calendar year (2024)	5.0%	5.0%	-	10.0%
Previous full calendar year (2023)	8.0%	6.0%	-	14.0%

Number of days lost through job absence in the year, calculated as: (Number of days lost through job absence in the year) / [(Number of employees on 1st day of the year + Number of employees on the last day of the year) / 2] * (Number of available workdays in the year).

Are accidents recorded? Yes

Accidents are recorded in accordance with law regulation and internal developed procedure in frame of existing OHS management system.

Annual number of work related accidents and injuries (per 100 workers)*

	Men	Women	Other	Total
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Annual number of work related accidents and injuries (per 100 workers)*

Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

* Calculated as (number of work related accidents and injuries * 100) / number of total workers.

Lost day work cases (per 100 workers)*

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

* Calculated as (number of lost days due to work accidents and work related injuries * 100) / number of total workers.

Percentage of workers that work on average more than 48 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%
Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

Percentage of workers that work on average more than 60 total hours in a given week

	Men	Women	Other	Total
Last full quarter (90 days)	0.0%	0.0%	-	0.0%

Percentage of workers that work on average more than 60 total hours in a given week

Last full calendar year (2024)	0.0%	0.0%	-	0.0%
Previous full calendar year (2023)	0.0%	0.0%	-	0.0%

0. Enabling accurate assessment

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section			<p>Auditor team was able to conduct and complete the audit without any obstruction. Not offer was bribes to or nor was threaten the auditor team. SAQ was done prior the audit and it was provided to the auditors. No conflict between data from SAQ and objective evidences collected during audit.</p> <p>The company has adopted internal Ethical codex as well as Business ethics Policy. Adopted Employment rulebook which define labour rules.</p> <p>Exist implement procedure for control of suppliers, all suppliers have signed Ethical codex for suppliers related ethic business behaviour.</p> <p>Nominated manager responsible for compliance with Code and ethical principles. Part of induction training for all of employees is ethical business principles.</p> <p>Company has identified stakeholders and salient issues (checked List of all interested parties). There is no any adverse impact found on their stakeholders.</p> <p>The company has a transparent system in place for confidentially reporting and dealing with human rights impacts through box for remarks and suggestions, open door.</p> <p>Client operates legally, all needed licences are on place. In frame of existing management system company has periodic Evaluation of compliance with applicable law regulation.</p> <p>Objective evidences: 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</p>

0. Enabling accurate assessment

Data points

Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment?	No
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Did any workers selected by the auditor decline to be interviewed?	No
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1. Employment is freely chosen

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Shown very well established management system, demonstrated respectable level of awareness and readiness for continuous improvement from company management side. Implemented documented procedures and policies are well-documented and align closely with workplace requirements, ensuring compliance with legal standards. Appointed responsible manager to oversee these procedures, possessing the necessary authority and clarity in responsibilities. Regular training sessions ensure all employees, including managers and supervisors, are well-informed about their roles, job positions, responsibilities and authorities fostering a culture of compliance. The monitoring systems in place are thorough and adaptive, regularly evaluating the effectiveness of procedures to maintain consistent compliance. Overall, the organization exhibits a strong commitment to maintaining effective management systems with no findings.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

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 confirmed that they are free to leave the workplace and living accommodation due to normal reasons with no any restriction in freedom of movement. Also, checked personal files as well as employment contracts of these workers. Each worker has signed contract with the company. There are no any surveillance (primarily human but also electronic) used in order to control or intimidating the workers. Employees can terminate the contract at any time of their own free will without any consequences and with all the benefits due to them according to the contract. All payments for each worker are made in accordance with the legal regulations and the details of the contract. There are no deductions from wages or taking any deposits from employees. Earnings are paid at the end of the month for that month without any delay. Earnings higher than the minimum wage are guaranteed. The company conducts analyzes and risk assessments to ensure that forced labor does not occur under any circumstances.

As objective evidences checked next documents and records:
 Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.
 Employment rulebook no. 2251 dated 17.06.2019.
 Personal files of ten workers.
 Employment contracts of ten workers: permanent employment contract no. 1247/24 dated 19.01.2024. signed with employee AN, Annex no. 3 of permanent employment contract dated 29.12.2023. signed with employee SB, Annex no. 7 of permanent employment contract dated 30.01.2025. signed with employee TJ, Annex no. 6 of permanent employment contract dated 26.06.2024. signed with employee JA, Annex no. 3 of permanent employment contract dated 29.12.2023. signed with employee KB, temporary employment contract no. 1477/25 dated 14.05.2025. signed with employee SM, Annex no. 6 of permanent employment contract dated 29.12.2023. signed with employee KD, temporary employment contract no. 1475/25 dated 14.05.2025. signed with employee MN, Annex no. 7 of permanent employment contract dated 29.12.2023. signed with employee SI, Annex no. 4 of permanent employment contract dated 29.12.2023. signed with employee SD.
 Social insurance confirmation of ten workers: social insurance confirmation dated 01.06.2021. for employee SI, social insurance confirmation dated 01.06.2021. for employee SD, social insurance confirmation dated 30.03.2019. for employee KD.
 Interviews.

1. Employment is freely chosen

Data points

If required under local law, is there a published 'modern slavery' or similar statement?	Not Applicable
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Does the site utilise any workers who are prisoners?	No
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Does the site use the labour of persons required to work under any government scheme?	No
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1.A. Responsible recruitment and entitlement to work

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has developed and maintains policies and procedures that ensure responsible recruitment and entitlement to work, aligning with workplace requirements. Exist HR function in frame of administration department. Regular training sessions are conducted for all employees, managers, and supervisors on the importance of responsible recruitment and entitlement to work, including best practices and legal requirements. The organization conducts regular monitoring and evaluation of its recruitment practices to ensure ongoing compliance with workplace requirements and policy. Based on this, the organization maintains a robust and compliant recruitment process with no findings.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			

Systems and evidence examined to validate this code section

All employees have contracts with the company that comply with legal regulations. All workers have permanent contracts, signed by both the employee and the company director. There are no agency workers or subcontractors. Twenty six personal files were checked, and all reviewed files contained valid and complete employment contracts. Workers pay no recruitment fees at any stage of the recruitment process. Worker contracts accurately reflect the agreed payment and terms from the recruitment process and are understood and signed by the workers. All of this was confirmed through interviews.

As objective evidences checked:

Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.

Employment rulebook no. 2251 dated 17.06.2019.

Personal files of ten workers.

Employment contracts of ten workers: permanent employment contract no. 1247/24 dated 19.01.2024. signed with employee AN, Annex no. 3 of permanent employment contract dated 29.12.2023. signed with employee SB, Annex no. 7 of permanent employment contract dated 30.01.2025. signed with employee TJ, Annex no. 6 of permanent employment contract dated 26.06.2024. signed with employee JA, Annex no. 3 of permanent employment contract dated 29.12.2023. signed with employee KB, temporary employment contract no. 1477/25 dated 14.05.2025. signed with employee SM, Annex no. 6 of permanent employment contract dated 29.12.2023. signed with employee KD, temporary employment contract no. 1475/25 dated 14.05.2025. signed with employee MN, Annex no. 7 of permanent employment contract dated 29.12.2023. signed with employee SI, Annex no. 4 of permanent employment contract dated 29.12.2023. signed with employee SD.

Interviews

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes?	Workers are recruited, selected, and hired directly by our company
How do the labour providers recruit and hire workers?	Directly
Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey?	0
Are there any subcontracted workers (excluding dispatched labour) on site?	No
Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview?	Not Applicable
Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review?	Not Applicable

Migrant workers

Do any workers migrate across international borders to work at this site?	No
Percentage of workers that are migrant	0%
Do any workers migrate from other states, provinces or regions within the country to work at this site?	No

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process? Not Applicable

Were recruitment fees or costs identified during worker interviews? No

Recruitment fees or costs were not identified during worker interviews.

2. Freedom of association and right to collective bargaining are respected

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has successfully adopted and maintains policies and procedures that ensure workplace requirements regarding freedom of association and the right to collective bargaining are fully met. In company exist function of worker representative and regular meetings between worker representatives and company management are conducted. Records from these meetings are maintained. Employees, including managers and supervisors, receive regular communication and training on relevant policies and elements of freedom of associations ensuring a thorough understanding of their rights to freedom of association and collective bargaining. The organization demonstrates a strong commitment to supporting freedom of association and collective bargaining, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

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 (last election dated 15.11.2023.).

Objective evidences:

Employment rulebook no. 2251 dated 17.06.2019.

Ethical codex dated 25.09.2023.

Minutes of meeting dated 18.02.2025. (e.g. topics: bonus scheme, food costs, ventilation in production area...).

Interview with worker representative

Interviews with workers

2. Freedom of association and right to collective bargaining are respected

Data points

Are trade unions allowed by law in the national context? Yes

Are there any registered trade unions in the workplace? No

Are they active?

Does the employer recognise the trade union? Not Applicable

Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? Yes

Are the worker representatives freely elected by the workforce as a whole? Yes

Does union/worker committee membership reflect the gender composition of the workforce? Yes

Does the membership reflect the nationality composition of the workforce? Yes

Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? No

3. Working conditions are safe and hygienic

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has established and actively maintains comprehensive policies and procedures to ensure that working conditions are safe and hygienic, fully meeting all relevant workplace requirements. System elements are adequate and implemented on proper way: risk assessment is done and periodically reviewed, nominated responsible persons for health and safety as well as fire protection in accordance with law regulation, all employees have adequate trainings in area of health and safety and fire protections, established procedure for internal monitoring of all aspects of H&S system. Implemented and certified management system in accordance with international standard ISO 45001. Overall, the organization demonstrates a strong commitment to ensuring safe and hygienic working conditions, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Company has implemented H&S management system: adopted H&S Policy, adopted Fire protection plan Health and safety rulebook. Nominated HS Manager and responsible person for H&S and fire protection. Risk assessment for all work places is done. All employees are trained for health and safety at work and for fire protection. Company has first aid trained staff. During site visit observed very good level of implementation of health and safety rules: firefighting equipment is posted and adequately marked, emergency exits are clear marked and with no any obstacles and unlocked, posted evacuation plans on all premises, employees have adequate PPE which is in use on appropriate way; drinking water is available; canteen and toilets and wardrobes are clean and adequate, available MSDS documents for all used chemicals, installed first aid boxes as well as eye wash stations, exist medical room. Company maintained Register of injuries and appropriate reports about injuries at work, procedure for incident investigation is on place. On location posted suggestion boxes, employees also have possibility to report any problem related health and safety directly to the management. The company regularly checks the effectiveness of training through the system of internal monitoring and periodic tests of employees' knowledge. Procedure for readiness to respond in emergency situations has been adopted. It also includes regular planned evacuation drills.

As objective evidences checked next documents and records:
Occupational Health & Safety Management System certificate no. OH-0340 dated 21.10.2024. by certification body Standcert.
Decision dated 05.05.2025., 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 05.05.2025. for nomination of OHS Committee.
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) and last amendment of risk assessment dated 14.03.2022.
Trainings are recorded on record required by law „Obrazac 6“ (e.g. checked for employees: employee SI date of training 01.06.2021., employee NM, date of training 15.10.2024., employee DK dated 20.01.2021., employee JA date of training 20.01.2021., employee JT dated 20.01.2021., employee KB dated of training 25.06.2021., employee MS date of training 15.05.2025., employee AN, date of training 21.12.2023., employee SB, date of training 23.06.2021.
For review were available reports: „Report of periodical control of production equipment“ no. 22-03-2882 dated 16.12.2022. form external authorized organization Institut za preventivu;
„Report about electrical installation control“ no. 24-03-2024 dated 07.11.2024. 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. 22-03-2495 dated 31.01.2022. from external authorized organization Insitut za preventivu
Company has adequate number of first aid trained personal, checked List of first aiders updated May 2025 (total eight employees), also checked „First aid training certificate“ no. 268000034/25 dated 03.02.2025. from Red Cross of Serbia (employee IS), „First aid training certificate“ no. 268000031/25 dated 03.02.2025. from Red Cross of Serbia (employee ZJ). In frame of existing OHS management system, there is procedure for incident investigation (including injuries at work) O-03, but no registered injuries at work for period 2023-2025.
In area of fire protection checked documents and records: „Fire protection rules“ dated March 2020, „Report about periodical check of fire extinguishers“ dated 21.05.2025. from external organization Trosador d.o.o., „Report about periodical check of hydrant set“ dated 21.05.2025. from external organization Trosador d.o.o., „Report about periodical control of emergency lights“ dated 21.05.2025. from external organization Trosador d.o.o., „Report about periodical control of alarm system“ no. D0702-1/25 dated 07.02.2025. 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 SI, date of test 16.04.2025., employee MN, date of test 16.04.2025., employee DK, date of test 16.04.2025., employee JA date of test 16.04.2025., employee DS, date of test 16.04.2025., employee KB date of test 16.04.2025., employee MS dated of test 15.05.2025., employee AN, date of test 16.04.2025., employee SB, date of test 16.04.2025.). Company has practice in regular

evacuation drills (as minimum twice a year covered both shifts including night conditions): "Report about evacuation drill" dated 20.02.2024., "Report about evacuation drill" dated 20.01.2025.

3. Working conditions are safe and hygienic

Data points

Is someone within the company responsible for health and safety?	Yes, qualified safety officer
Do workers operate high risk or heavy machinery or vehicles as part of their jobs?	No
Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)?	Yes The storage of chemicals and their use is in accordance with the defined instructions and safety lists.
Who organises accommodation for workers?	Not applicable
Who organises worker transportation between accommodation and worksite?	Workers organise their own transport
Who organises worker transportation while at work?	Not applicable
Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law?	Yes Technical documentation no. 2018-02-PZI from Maja Proing.
Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building?	No
Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally?	No
Does the site have a structural engineer evaluation?	Yes

4. Child labour shall not be used

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has established procedure and good practice in order to ensure that child labor is not employed, fully complying with all relevant workplace requirements. One of managers are appointed to oversee the implementation of these policies and to ensure adherence to child labor regulations. Regular communication and training sessions for employees, including managers and supervisors, are conducted to raise awareness and understanding of the policies prohibiting child labor. The monitoring systems in place thoroughly assess the implementation and effectiveness of these procedures, confirming that there are no instances of child labor within the organization. Organization demonstrates a strong commitment to upholding the prohibition of child labor, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

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 no employees bellow 18 years.
Each employee dossier included photocopied ID card which list name of employee, household address and the date of birth.

As objective evidences checked documents and records:
Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.
Employment rulebook no. 2251 dated 17.06.2019.
Employment contracts
Personal files
Interviews

4. Child labour shall not be used

Data points

Percentage of workers that are age 24 or younger	6%
Enter the legal age of employment	15
Enter the age of the youngest worker identified	20
Enter the number of workers under local legal minimum age	0
Enter the number of workers under 15 years old	0
Percentage of workers that are apprentices, trainees or interns	0.0%
Were there children present on the work floor but not working at the time of audit?	No
Do children live at the accommodation provided to workers?	Not Applicable

5. Legal wages are paid

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has effectively developed and consistently maintains comprehensive policies and procedures to ensure that all employees are compensated in accordance with legal wage requirements, fully meeting workplace standards. The organization conducts regular communication and training for all employees to promote understanding of wage policies and ensure that everyone is informed about their rights and responsibilities regarding compensation. Additionally, robust monitoring systems are in place to evaluate the effectiveness and compliance of these procedures, confirming that all employees receive their legal wages without exception. In general, the organization demonstrates a solid commitment to ensuring that legal wages are paid, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Wages are paid once per month through bank transfers to the individual bank account of each worker, within the 15th 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%).
Living wages are calculated based on local statistical elements (average basket food). Company has practice in periodical review (at least annually) of salaries with adequate plan for improvement.
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.

Objective evidences:

Internal rules

Payslips for three months: July 2024, January 2025, April 2025.

Register of working hours for three different months: July 2024, January 2025, April 2025

Personal files and working contracts of ten workers

Interviews

5. Legal wages are paid

Data points

What is the basic wage paid to workers?	The legal minimum wage Wages are based on job skills and experience
Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers?	Only digital payments
How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits?	None

Worker remuneration

Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers?	Not applicable
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Summary information

Is legal wage/legally recognised CBAs data available for any of these options?	Monthly	
Is actual wage data available on site for any of these options?	Monthly	
Maximum legal working hours	Max hours per day	8.0
	Max hours per week	40.0
	Max hours per month	184.0
Actual required working hours	Required hours per day	8.0
	Required hours per week	40.0
	Required hours per month	184.0
Maximum legal overtime hours	Max hours per day	4.0
	Max hours per week	8.0
	Max hours per month	32.0

Actual overtime hours	Max hours per day	4.0
	Max hours per week	8.0
	Max hours per month	32.0
Minimum legal wage	Min per hour	308.0
	Min per day	2464.0
	Min per week	12320.0
	Min per month	54208.0
Actual minimum wage	Actual per hour	327.0
	Actual per day	2616.0
	Actual per week	13080.0
	Actual per month	60175.0
Minimum legal overtime wage	Min per hour	388.08
	Min per day	1552.32
	Min per week	3104.64
	Min per month	12418.56
Actual minimum overtime wage	Actual per hour	412.0
	Actual per day	1648.0
	Actual per week	3296.0
	Actual per month	13184.0

Wage analysis

Number of workers' records checked	30
Provide the date and details of the records	Checked 10 records per month for three different months: July 2024 (random), January 2025 (random) and April 2025 (current).
Are there different legal minimum/ legally recognised CBAs wage grades?	No

For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs?

Above legal minimum

Indicate the breakdown of workforce per earnings

100% workers have wages above minimal wage.

Are there any bonus schemes used?

Yes

Bonus schemes are defined in company rulebooks.

Were accurate records shown at the first request?

Yes

Were any inconsistencies found?

No

5.A. Living wages are paid

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
No findings			
Systems and evidence examined to validate this code section	<p>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.</p> <p>Objective evidences: Internal rules Payslips for three months: July 2024, January 2025, April 2025 Register of working hours for three different months: July 2024, January 2025, April 2025 Personal files and working contracts of ten workers Interviews</p>		

6. Working hours are not excessive

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has successfully developed and maintains effective policies and procedures to ensure that working hours are within permissible limits, adhering to all relevant workplace requirements. The organization places a strong emphasis on communication and provides training for all employees, including managers and supervisors, to ensure they are informed about policies related to working hours and the importance of maintaining a healthy work-life balance. Furthermore, robust monitoring systems are in place to evaluate the effectiveness of these procedures, confirming that all employees work within regulated hours and that no excessive working hours are reported. Overall, the organization demonstrates a solid commitment to preventing excessive working hours, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Company operates in two shifts, from 06am to 14pm and from 14pm to 22pm. In some processes occasionally is included third shift from 22pm to 06am. During shift employees have 30 minutes break for meal. The company has manual system for registration of working hours. All of the above was confirmed by the workers during the interviews. The company has adequate management system that ensures compliance with law regulation, all contracts are based on 40 hours per week, in case of overtime it is always voluntary and paid as premium. Adequate breaks are assured during working, weekly rest day is quarantined, annual leave is defined in Employment rulebook.

Objective evidences:

Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.
Employment rulebook no. 2251 dated 17.06.2019.
Payslips and register of working hours of ten workers for three different months (July 2024, January 2025 and April 2025)
Employment contracts of ten workers
Interviews

6. Working hours are not excessive

Data points

Is the sample size the same as in the wages section?	Yes
Normal day overtime premium as a percentage of standard wages	126%
If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations?	It is defined in company rulebooks that, in case of OT, it is always as 126% which is in accordance with the law.
Excluding overtime, what are the regular working hours per week for workers at this site?	40.0
Including overtime, what is the average number of working hours per week for full-time workers at this site?	44.0
In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site?	48.0
Maximum number of days worked without a day off in sample	6

7. No discrimination is practiced

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has established and actively maintains effective policies and procedures to ensure that discrimination is not practiced within the workplace, thereby meeting all relevant workplace requirements. Appointed senior manager to oversee the implementation of these policies, ensuring a commitment to an equitable work environment. The organization provides adequate information and trainings to all employees to raise awareness of anti-discrimination policies and to foster an inclusive workplace culture. Adequate monitoring systems are employed to assess the effectiveness of these measures, confirming that discriminatory practices are not present in the organization. Overall, the organization demonstrates a strong dedication to promoting non-discrimination, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

Adopted discrimination policy and internal rulebooks, nominated person responsible for prevention of abuse at work.
All workers are treated equally.
No health screening of workers is required or permitted during the employment process, nor is discrimination against workers with certain health conditions. This includes pregnancy (unless specifically required by law) or HIV/AIDS.
Grievance mechanisms are available to all workers, regardless of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.
Nothing has been identified or reported by interviewed workers as harsh or inhumane treatment.
The workers didn't report any cases of harsh or inhumane treatment on behalf of the management.
Workers confirmed there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement.

Objective evidences:
Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.
Employment rulebook no. 2251 dated 17.06.2019.
Disciplinary rulebook no. 2253 dated 17.06.2019.
Business ethics Policy, first issue dated 25.09.2023.
Ethical codex dated 25.09.2023.
Personal files
Interviews

7. No discrimination is practiced

Data points

Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)?	2%
Representation of women in managerial roles (ratio of women workers to women managers)	1%
Representation of women in supervisory roles (ratio of women workers to women supervisors)	6%
Three most common nationalities in managerial and supervisory roles	Serbian

8. Regular employment is provided

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Company has established effective policies and procedures to ensure that regular employment is provided to all eligible workers, fully complying with workplace requirements. The organization prioritizes communication and training for all employees, including managers and supervisors, to ensure that they are well-informed about policies regarding regular employment and the rights associated with it. Additionally, robust monitoring mechanisms are in place to assess the effectiveness of these procedures, thereby confirming that regular employment is consistently provided within the organization. In general, company demonstrates a strong commitment to ensuring the provision of regular employment, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section			<p>The employees are hired directly by the company (under permanent or temporary contracts). Personal files are complete and contained valid employment contracts. All interviewed workers confirmed a copy of the contract was given to them upon hire. The management provided proof of payment of social security and taxes. Therefore, based on current assessment there were no instances of false or excessive apprenticeship schemes or labour-only contracting.</p> <p>As objective evidences checked: personal files and employment contracts of ten workers, Employment rulebook, Rulebook about organization and systematization of work places, social insurance confirmations.</p>

8. Regular employment is provided

Data points

Percentage of workers that are permanently or temporarily employed	100.0%
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Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment	0.0%
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Percentage of workers employed as apprentices, trainees or interns	0.0%
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8.A. Sub-contracting and homeworkers are used responsibly

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Not Addressed
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Not Addressed
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Not Addressed
Monitor the effectiveness of procedures to meet policy and workplace requirements	Not Addressed
Explanation for management systems grades	N/A no sub- contracting and homeworkers on site.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section	There are no subcontractors and homeworkers on site. Objective evidences: Interviews with management Interviews with workers Site visit		

8.A. Sub-contracting and homeworkers are used responsibly

Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

Number of homeworkers used

	Men	Women	Other	Total
Number of workers	-	-	-	-

What processes are carried out by homemaker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
No sub-contracting.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
N/A

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	The organization has successfully developed and maintains effective policies and procedures to guarantee that no harsh or inhumane treatment occurs in the workplace, fully aligning with relevant workplace requirements. A senior manager with the appropriate authority has been appointed to oversee the implementation of these policies and ensure a respectful and humane work environment. The organization also prioritizes communication and training for all employees, including managers and supervisors, to ensure widespread understanding of the policies prohibiting harsh treatment and to promote a culture of respect and dignity. Furthermore, robust monitoring systems are in place to assess the effectiveness of these procedures, ensuring compliance and a safe working environment for all employees. Overall, the organization demonstrates a strong commitment to preventing harsh or inhumane treatment within the workplace, with no findings noted in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings

Systems and evidence examined to validate this code section

No evidence of harsh or inhumane treatment. All workers have the possibility to address confidential grievances (suggestion boxes on location are installed). A whistleblower system is also available. All new employees are trained upon employment. All workers are familiar with workplace policy prohibiting harsh or inhumane treatment, including gender-based violence and harassment. Regular training are repeated on a yearly level for all employees.
Not conduct bodily searches, which is confirmed through interviews.
Employees were aware of the disciplinary practice which is controlled in their contracts also.
Periodical assessment of compliance with law regulation in this area is done.

Objective evidences:
Rulebook about organization and systematization of work places no. 2316 dated 20.06.2019.
Employment rulebook no. 2251 dated 17.06.2019.
Disciplinary rulebook no. 2253 dated 17.06.2019.
Personal files of ten workers.
Nomination of person responsible for human rights protection
Nomination of responsible person for protection of whistleblower
Site tour
Interviews

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?	Yes, there is a formal grievance process The grievance process is available to all workers
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What type of grievance mechanism(s) are available?	Open door, suggestion boxes.
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Number of grievances raised in the last 12 months	0
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Number of grievances resolved in the last 12 months	0
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10.A. Environment 2-Pillar

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Robust Management Systems
Monitor the effectiveness of procedures to meet policy and workplace requirements	Robust Management Systems
Explanation for management systems grades	Company has well implemented system certified against international standard ISO 14001. The company ensures compliance with local, regional, and national environmental laws. It maintains proper documentation and permits for resource use and waste disposal, reflecting its commitment to legal and environmental standards. There are no specific client requirements regarding environmental topics. Adopted adequate policy, environmental goals are adopted with prescribed resources, terms and responsibilities for goals achievement. Provided training for employees in area of environmental impacts, proper waste management and handling with chemicals. Adopted waste management plan and procedure for handling with chemicals, ensuring safety and regulatory compliance. Regular monitoring of air emissions and waste water conducted, no discrepancies related to limits defined by law.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
			No findings
Systems and evidence examined to validate this code section			The company ensures compliance with local, regional, and national environmental laws. Adopted procedure for law regulation identification and periodical review of level of compliance. It maintains proper documentation and permits for resource use (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). and waste disposal, reflecting its commitment to legal and environmental standards. There are no specific client requirements regarding environmental topics. Additionally, the company keeps an up-to-date list of hazardous chemicals, ensuring safety and regulatory compliance.

10.A. Environment 2-Pillar

Data points

<p>Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)?</p>	<p>No</p>
<p>Does the site have any valid environmental or energy management certificates?</p>	<p>ISO 14001 certificate no. ES-0435 valid until 21.10.2027. issued by certification body Standcert</p>
<p>Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC)?</p>	<p>No</p>
<p>Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change?</p>	<p>Yes Reduction of CO2 emissions in period 2025-2027</p>

10.B. Environment 4-Pillar

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
<p>Systems and evidence examined to validate this code section</p>	<p>No findings</p>		<p>Good environmental performance gained by company that achieved reduction of wastes generated, reduction of utilities consumption and control on contractors' environmental impacts on company's operations. It was available the Environmental protection Policy, adopted environmental protection procedures. Identification of environmental aspects and impact analyses were documented including assessment of impacts on biodiversity. Environmental goals for 2025. defined during management review process. 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, since starting of operations on this location. 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. Regular monitoring of air emission and waste water emission confirms that all parameters are within the limit values.</p> <p>As objective evidences checked next documents and records: 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. 17ČN/40 from Roto Eco d.o.o. Interviews with workers Report about periodical control of air emission dated 26.11.2024. from external organization Institut za preventivu Contract for textile waste disposal dated 22.01.2024. signed with Mateks doo Contract for disposal of paper waste dated 19.01.2024. signed with Eko-Tron Leskovac Document of waste disposal dated 22.12.2024. from waste operator Mateks doo (e.g. waste type: textile waste, waste quantity: 0.3t) Document of waste disposal dated 23.04.2025. from waste operator Eko-Tron doo (e.g. waste type: paper waste, waste quantity: 0.8t) Interviews</p>

10.B. Environment 4-Pillar

Data points

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	Yes
What additional specific environmental policies does the site capture?	Switching to renewable energy sources Sustainable material sourcing Packaging optimization Responsible use and management of water
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	Yes Evaluation of compliance with legal and other requirements dated January 2025.
Does the site have reduction targets in place to manage climate related risks?	Yes, to reduce scope 1 greenhouse gases (GHGs) Yes, to increase low-carbon energy consumption or production Yes, other climate-related target
Are any of these science-based targets?	No, and we do not intend to set one in the next two years
Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))?	Yes Reduction of water consumption for 5%, reduction of CO2 emission for 25% in period 2025-2027
Has the site 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?	Yes Codex of subcontractor ethical business dated 23.09.2023.

Usage/discharge analysis

	Last full calendar year (2024)	Previous full calendar year (2023)
Total electricity consumption from non-renewable sources (kWh)	141,320	135,720
Total electricity consumption from renewable sources (kWh)	79,650	56,330

Sources of renewable energy used	Onsite generated	Onsite generated
Types of renewable energy used	Solar	Solar
Total natural gas consumption (kWh)	0	0
Usage of other purchased fuels	80m3 of wood	80m3 of wood
Has the site completed any carbon footprint analysis?	No	Yes
		Scope 1: 6 (tCO₂e) Scope 2: 303 (tCO₂e) Scope 3: 1921 (tCO₂e)
Water sources	Local water supply	Local water supply
Does the site use mercury or mercury compounds?	No	No
Water volume used (m3)	705	337
Water discharged	Local recipient (after internal water treatment)	Local recipient (after internal water treatment)
Water volume discharged (m3)	705	337
Water volume recycled (m3)	0	0
Total waste produced (mt)	41.8	10.1
Total hazardous waste produced (mt)	0.1	0
Waste to recycling (mt)	41.7	10.1
Waste to landfill (mt)	0	0
Waste to other (mt)	0	0
Total product produced (mt)	91	75.8

10.C. Business ethics

Management systems

Develop and maintain relevant policies and procedures to ensure workplace requirements are met	Robust Management Systems
Appoint a manager with sufficient seniority who is responsible for implementing procedures	Robust Management Systems
Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures	Some Improvements Recommended
Monitor the effectiveness of procedures to meet policy and workplace requirements	Some Improvements Recommended
Explanation for management systems grades	The organization has established and maintains comprehensive policies and procedures to ensure adherence to business ethics and compliance with workplace requirements. A senior manager with the appropriate level of authority has been appointed to oversee the implementation of these ethical standards and ensure that all practices align with the organization's commitment to ethical conduct. No objective evidences about proper trainings realized with focus on high risk positions (defined minor NC) in this area.

Summary of findings

Code area	Workplace requirement	Area of NC	Finding
10.C. Business ethics	10.C.E Provide appropriate business ethics tr...	Base code	NC ZAF600969923

Systems and evidence examined to validate this code section

Company conducts their business ethically without bribery, corruption, or any type of unethical behavior.
 Adopted CSR and ethical business behavior Policy as well as Ethical behavior codex. These documents are communicated through communication board's withing company and sent to all suppliers and business partners as part of contract. There is access to a transparent system in place for confidentially reporting and dealing with unethical.
 Business Ethics without fear of reprisals towards the reporter.
 Designated person responsible for implementing standards concerning Business Ethics. The company regularly assesses the risk of unethical behavior and possible cases of bribery and corruption. The company has clearly demonstrated knowledge of fiscalization legislation including a commitment to full compliance. Good practice in protecting employee data has been demonstrated
 All permits and licenses required by law are available. The company operates without any fines from the crap of the regulatory authorities.

As objective evidences checked next documents and records:
 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 no. 2251 dated 17.06.2019.
 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).
 Interviews with management and workers

Findings: non-compliances

ZAF600969923

Non-compliance

Due 2025-09-14

Code area

10.C Business ethics

Status

Open*

Workplace requirement

10.C.E Provide appropriate business ethics training to workers at all levels in roles which have greater exposure to risks of bribery, corruption, fraudulent or unethical business practices, such as sales, purchasing, logistics.

Time given to resolve

90 days

Issue title

956 - Lack of business ethics training to individuals in high risk roles

Verification method

Desktop audit

Description

No formal business ethics training.

Area of non-compliance/non-conformance

Base code

Corrective and preventative actions

Will be organized business ethics training with focus on positions and activities with high risk.

* PDF generated at 07:55 (UTC) on 16 Jun 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

10.C. Business ethics

Data points

Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)?	No
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Provide any certified anti-bribery management systems for the site	N/A
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Attachments



[Smeta Fush_30052025101330.pdf](#)



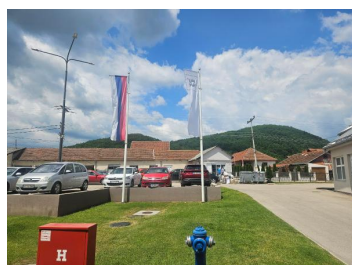
[Entry on location.jpg](#)



[General view.jpg](#)



[General view \(2\).jpg](#)



[General view \(3\).jpg](#)



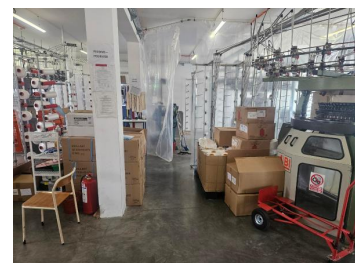
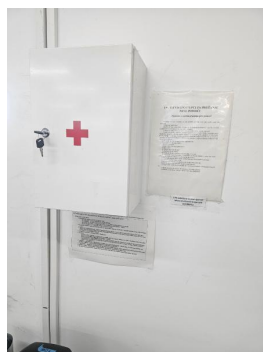
[General view \(4\).jpg](#)



[General view \(5\).jpg](#)



[Communication board.jpg](#)



[Suggestion box.jpg](#)



[First aid box.jpg](#)



[Entry in production area.jpg](#)



[Production area - knitting mill.jpg](#)





[Production area - knitting mill \(2\).jpg](#)



[Printing.jpg](#)



[Printing \(2\).jpg](#)



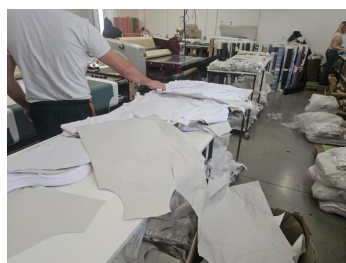
[Printing \(3\).jpg](#)



[Production area - tailor shop.jpg](#)



[Production area - tailor shop \(2\).jpg](#)



[Production area - tailor shop \(3\).jpg](#)



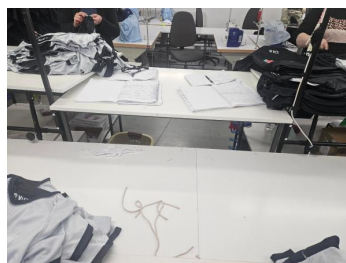
[Auxiliary material warehouse.jpg](#)



[Production area - sewing.jpg](#)



[Packing area.jpg](#)

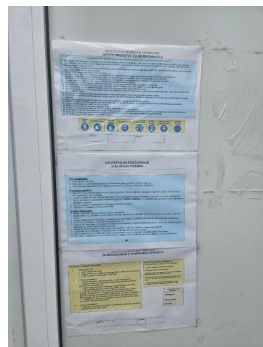


[Final control and packing.jpg](#)



[Production area-embroidery.jpg](#)



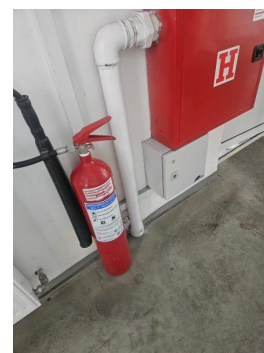


[Boiler room.jpg](#)

[Electrical cupboards.jpg](#)

[Health and safety instructions posted.jpg](#)

[Safety sign on machine.jpg](#)

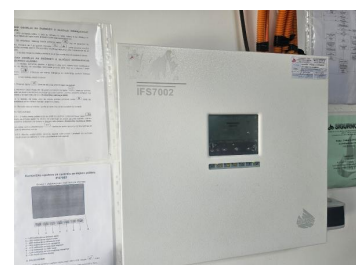


[Safety signs on machine.jpg](#)

[Storage of packing material.jpg](#)

[Storage of raw material.jpg](#)

[Fire extinguisher.jpg](#)



[Hydrant.jpg](#)

[Outside hydrant.jpg](#)

[Fire alarm.jpg](#)

[Fire alarm central station.jpg](#)



[Emergency exit.jpg](#)



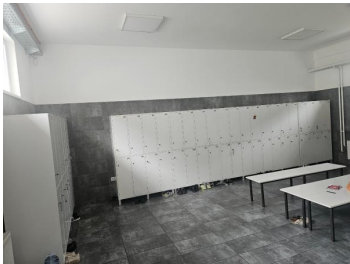
[Evacuation plan.jpg](#)



[Toilet.jpg](#)



[Toilet \(2\).jpg](#)



[Wardrobe.jpg](#)



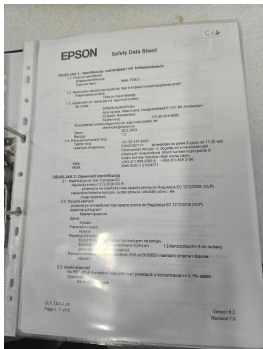
[Canteen.jpg](#)



[Storage of chemicals.jpg](#)



[Storage of chemicals \(2\).jpg](#)



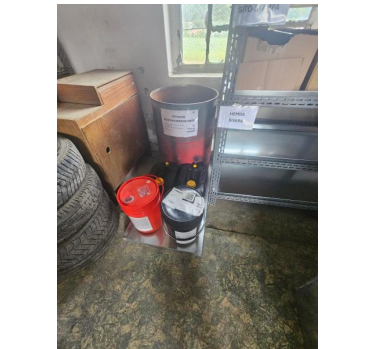
[Available MSDS.jpg](#)



[Eye wash station.jpg](#)



[Non-dangerous waste.jpg](#)



[Dangerous waste storage.jpg](#)